

2011/2012

ANNUAL REPORT



January 2013

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Chapter 1

CHAPTER 1 – MAYOR’S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR’S FOREWORD

a. Vision

The following new vision (an idealised view of where or what the organisation strives to be in the future) was adopted for Swartland Municipality in May 2012 as part of the Integrated Development Plan (IDP) for 2012-2017:

*Swartland Municipality is a **frontline** organisation which promotes **sustainable development** and delivers services **effectively and efficiently** to all its people by **building partnerships** with all stakeholders.*

- **Frontline** refers to being at the forefront of something, leading, foremost and influential (in Afrikaans “toonaangewende”).
- **Sustainable development** rests on three "pillars" namely economic development, social development and environmental protection. These three must always be in balance.
- **Effectiveness** is a measure of how inputs and outputs relate to the achievement of an institution's strategic objectives and goals.
- **Efficiency** means maximising the level of output for a given set of inputs, or minimising the inputs required to produce a given level of output.

b. Key Policy Developments

In consultation with a wide spectrum of public stakeholders the Municipality identified the most critical issues and risks that need to be addressed should the organisation wish to survive the challenges and continue to function effectively, efficiently and economical. This process led to the formulation of **seven strategic outcomes** (what we wish to achieve):

- A financially sustainable municipality with well-maintained assets
- Satisfied, involved and well informed clients
- An effective, efficient, motivated and appropriately skilled work force
- Access to affordable and reliable municipal infrastructure
- Sustainable development of the municipal area (with special emphasis on previously neglected areas)
- A lean, integrated, stable and corruption free organisation
- Increased community safety through traffic policing, by-law enforcement and disaster management

These strategic outcomes form the core of the Municipality’s strategy in Chapter 7 of its Integrated Development Plan (IDP). This is what the Municipality will focus on over the five year term of the IDP.

c. Key Service Delivery Improvements

The following are some of the successes of the Municipality between 2007 and 2012:

- Four consecutive unqualified audits as well as a clean audit
- A performance management system for councillors that is in operation since June 2010
- Section 53 role clarification that has been finalised and approved by all parties
- A new waste water treatment works for Malmesbury that utilises the latest membrane technology
- The Client Services Charter that was launched in March 2010
- Extensive use of electronic systems to streamline processes and increase customer satisfaction
- An excellent record of completing projects and spending of the capital and operating budgets
- The delivery of 1600 low cost housing units

d. Public Participation

Public participation in Swartland is done in a **structured** way. The directive from national government on how community participation should be structured is the ward committee system. Most of the liaison with communities is done through ward committee meetings.

Although ward committees provide for representation of communities on a geographical basis, there are also a number of sector interests not covered by ward committees that play a major role within the municipal area, such as education, business and agriculture. Liaison with and involvement of such sector groups is therefore

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also crucial in order to get a full picture of the current reality in our area. Liaison with sector groups is done mainly through the Swartland Municipal Advisory Forum (SMAF).

e. Conclusion

Local government is judged by its ability to deliver services, promote socio-economic development and govern effectively. As Mayor I am aware of the numerous responsibilities bestowed on the Council to bring about fundamental changes to our region that will have a positive effect on the livelihoods of all our people. Local Government is both the most intimate sphere of government and the one that impacts most on the everyday lives of citizens.

We treasure the administrative and political stability in Swartland Municipality as it allows for forward thinking and planning, administrative efficiency and overall effective service delivery.

(Signed by :) _____

Executive Mayor

COMPONENT B: EXECUTIVE SUMMARY

1.1. MUNICIPAL MANAGER'S OVERVIEW

The 2011/2012 financial year once again offered some unique ups and downs, the latter especially on the financial front, with the municipality (like all other local authorities) suffering the after effects of the global economic crisis.

The operating deficit of the previous financial year was not a result of poor financial management, but followed after a National Treasury provision requiring municipalities to unbundle its assets in order to make adequate provision for the replacement of such assets in future.

In an attempt to be compliant with the said provision and to minimise the deficit, the purpose of the strategy, as entailed in Chapter 7 of the 2012-2017 IDP, is to keep the municipality financially sustainable. Although we realise there are no quick fixes to eradicate the impact of the GRAP 17 requirements and conditions, the execution of the Chapter 7 of the IDP will deliver the necessary results.

Despite the said plan, management acted immediately by implementing an even further and stricter control approach, cutting back on any "nice-to-haves" without negatively effecting service delivery, with emphasis on service delivery remaining our CORE function.

On the positive side it is appropriate to report that Swartland Municipality achieved clean audits for the 2010/2011 and 2011/2012 financial years. Swartland Municipality is one of only two municipalities in the Western Cape and one of only 13 municipalities in South Africa who received a clean audit in 2010/2011 financial year. The challenge is now to maintain this achievement.

The double digit increases in electricity tariffs announced by Eskom, which had to be implemented, has now propelled municipalities nationwide to come up with creative methods in order to alleviate the increasing financial burden on its ratepayers, especially the poor. The years ahead require innovative strategic thinking by the municipality, something to which we have committed ourselves unconditionally. We have already identified and documented our most crucial risks, and are busy implementing actions plans in respect of such risks to ensure our financial stability in the long term.

Despite all, we were fortunate that we could continue rendering high quality services to our ratepayers during the past year. We will continue doing so, despite the challenges we face. The service standards set in the Client Services Charter will remain one of the instruments whereby we will measure our performance.

To illustrate the municipality's efficiency, despite of the above mentioned challenges we received several awards for the 2010/2011 financial year. All our initiatives that focused on the implementation of good governance practises, lead to the achievement of the clean audit. Special reference is also made to the following:

- (1) The IDP, budget, SDBIP and performance indicators are fully aligned. In this regard we received very positive feedback from the Provincial government of the Western Cape.

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- (2) The spending on the CAPEX represents 101%, and thus establishes a new benchmark. The spending on the OPEX, represents 91%.
- (3) At the Premier Co-ordinating Forum (PCF), Swartland was requested to make a presentation on, “How did we proceed to obtain a clean audit?”. During the presentation, it was mentioned that one of the biggest challenges at municipalities, is to address the lack of standards and standard operating procedures (SOP’s). As an outcome of the presentation, Provincial Treasury made funds available and requested Swartland Municipality to pioneer the development of financial standards. The end result of the standards will be made available the end of November 2012.

We will keep on striving to make our ratepayers proud and are committed to performance excellence. However, to do so, our clients also have to realise their responsibility to assist us in this regard: a responsibility to understand there are various priorities requiring attention; a responsibility to be reasonable, and a responsibility to trust that we have your interests at heart!

We endeavour to remain professional and transparent in our dealings with you, at all times!

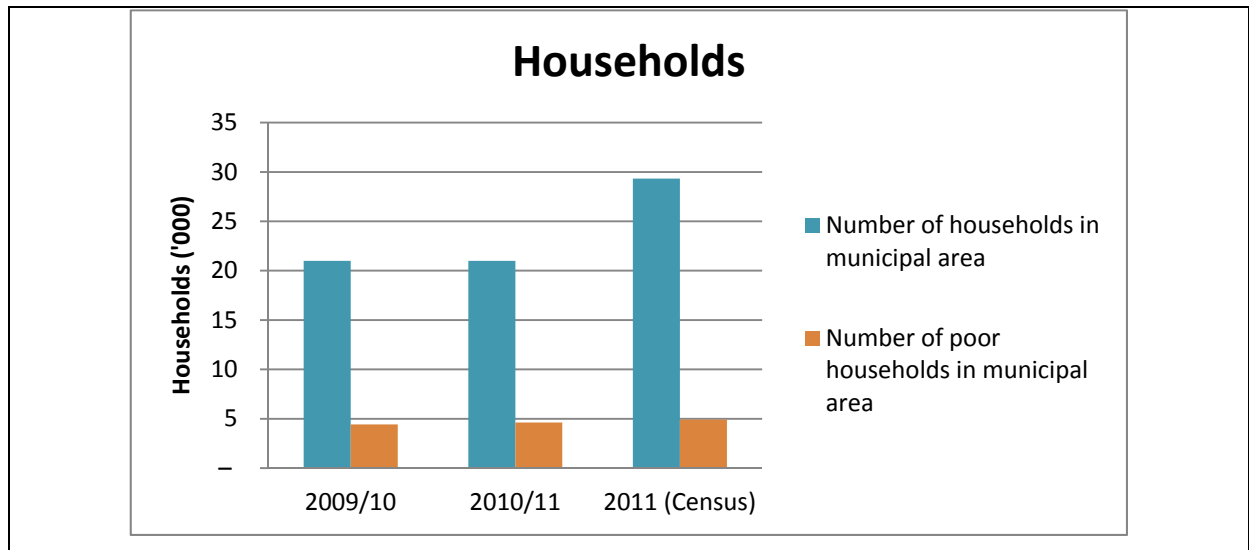
MUNICIPAL MANAGER

1.2. MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

INTRODUCTION TO BACKGROUND DATA

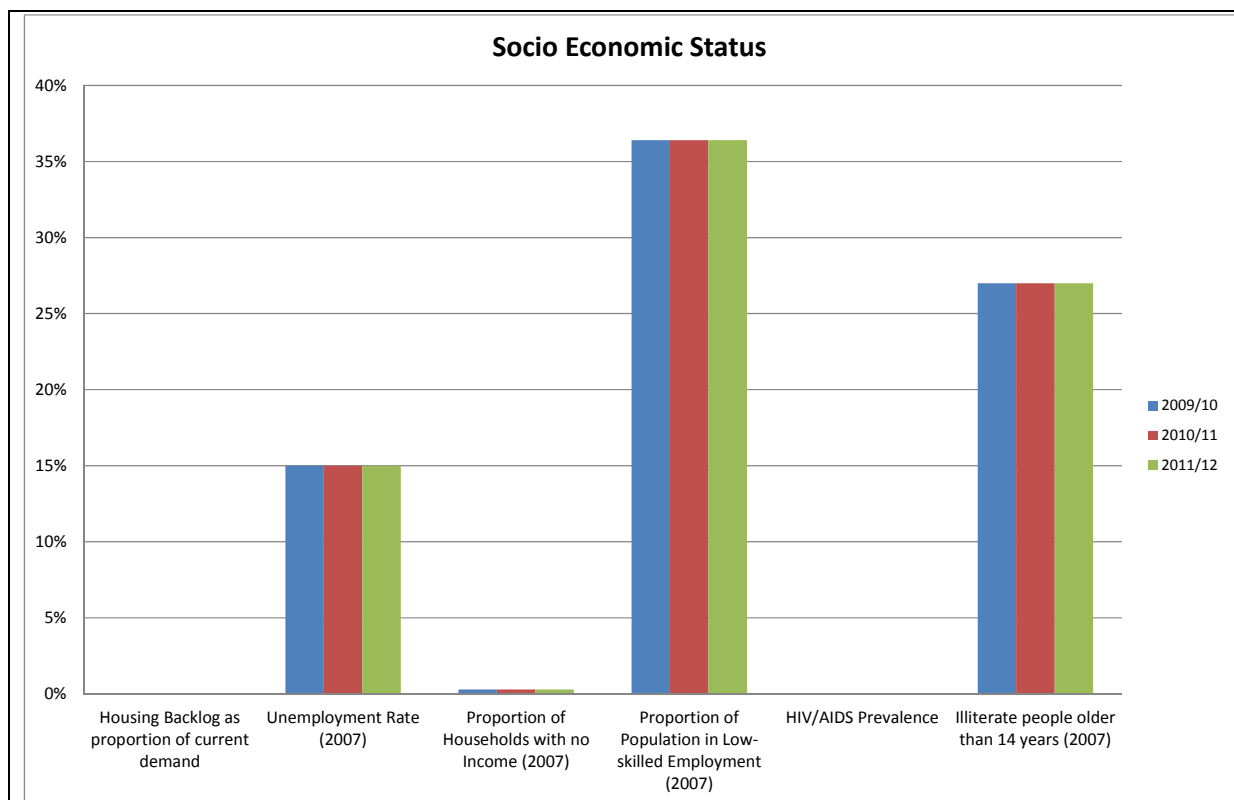
Population Details									
Age	2001			2007			2011 (Census)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Age: 0 - 4	3 350	3 350	6 700	3 601	3 445	7 046	5 257	5 105	10 362
Age: 5 - 9	3 483	3 483	6 966	3 552	3 399	6 951	4 562	4 581	9 143
Age: 10 - 19	6 946	6 946	13 891	7 254	6 942	14 196	9 026	9 354	18 380
Age: 20 - 29	6 143	6 143	12 286	7 051	6 747	13 798	11 273	10 967	22 240
Age: 30 - 39	6 282	6 282	12 564	6 864	6 568	13 432	8 613	8 268	16 881
Age: 40 - 49	4 289	4 289	8 577	4 704	4 502	9 206	7 956	7 877	15 833
Age: 50 - 59	2 715	2 715	5 429	3 201	3 064	6 265	5 095	5 364	10 459
Age: 60 - 69	1 674	1 674	3 347	2 190	2 095	4 285	2 994	3 306	6 300
Age: 70+	1 178	1 178	2 356	1 197	1 145	2 342	1 696	2 468	4 164
Source: Statistics SA									T1.2.2

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Socio Economic Status						
Year	Housing Backlog as proportion of current demand	Unemployment Rate (2007)	Proportion of Households with no Income (2007)	Proportion of Population in Low-skilled Employment (2007)	HIV/AIDS Prevalence	Illiterate people older than 14 years (2007)
2009/10		15%	0.3%	36.4%		27%
2010/11		15%	0.3%	36.4%		27%
2011/12		15%	0.3%	36.4%		27%
T1.2.4						

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Overview of Neighbourhoods within Swartland (Own Survey 2011)		
Settlement Type	Households	Population
Towns		
Abbotsdale		4 157
Chatsworth		3 241
Darling		11 340
Grotto Bay		332
Kalbaskraal		2 061
Koringberg		1 349
Malmesbury (Ilinge Lethu)		3 835
Malmesbury (Saamstaan)		6 367
Malmesbury (Wesbank)		11 431
Malmesbury (Rest)		13 281
Moorreesburg		12 145
Riebeek-Kasteel		5 340
Riebeek West		4 253
Riverlands		1 416
Yzerfontein		2 669
Sub-Total		83 217
Rural		
Ward 1		908
Ward 3		1 432
Ward 4		2 810
Ward 5		992
Ward 6		1 166
Ward 7		1 148
Ward 12		3 131
Sub-Total		11 587
Total		94 804
T1.2.6		

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Natural Resources	
Major Natural Resource	Relevance to Community
Agriculture	17,2% contribution to GDP
Mining	0,3% contribution to GDP
Water resources	
Conservation areas	
Heritage	
T1.2.7	

COMMENT ON BACKGROUND DATA:

1.3. SERVICE DELIVERY OVERVIEW

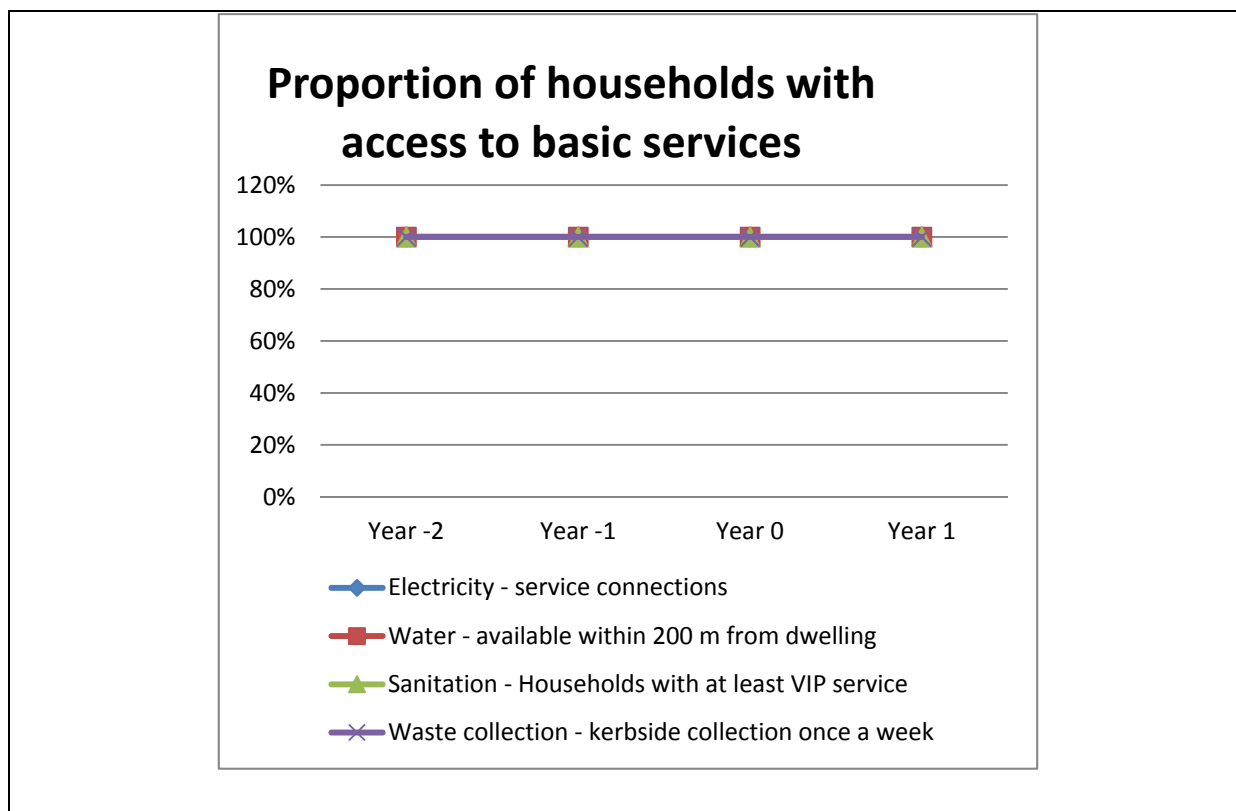
SERVICE DELIVERY INTRODUCTION

Basic Services were delivered to a total of 18448 households as at 30 June 2012, which were delivered as follows:

- Water – 18 448 households
- Electricity – 14 248 households
- Sanitation – 17 337 households
- Refuse removal– 18 346 households

Out of these 18448 households, free basic services were delivered to a total of 4897 indigent household, made up as follows:

- Electricity – 50kWh free to a total of 4 626 households
- Water – 10kl free to 4 888 households
- Sanitation - 4 709 households
- Refuse removal – 4 897 households



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1.4. FINANCIAL HEALTH OVERVIEW

FINANCIAL OVERVIEW

The municipality is currently in a healthy financial position but good financial management practices and the effect of cost pressures on financial resources requires a continuous evaluation of the financial position of the municipality. These cost pressures include the maintenance of the ageing infrastructure as well as items beyond the control of the municipality, such as the effect of the Eskom increases and collective agreements on employee related costs, all of which are well above the inflation rates.

Total revenue for the year amounts to R366.8m while operating expenditure amounts to R385.2m, with the deficit being R18.4m. As mentioned in the Municipal Manager's overview above, the municipality's infrastructure is valued on a deemed cost basis which is significantly higher than original cost. This has an effect of depreciation charges which are much higher (R47m) than the average or higher than those municipalities which valued the infrastructure on a cost basis. The deficit of R18.4m is therefore not a good reflection of the actual financial performance.

The Municipal Finance Management Act 2004, together with the implementation of Generally Recognised Accounting Practices (GRAP) in local government, shifted the focus from the traditional "short-term balanced Income and Expenditure budgets" to sustainability over at least the medium term with emphasis on cash-funding. The municipality closed the financial year with a healthier than normal cash position, however, the municipality raised a long-term loan of R105m for sewerage projects of which an amount of R50m was still unutilised at the financial year-end, which brings the cash balance at year-end again to previous acceptable levels. The demand for infrastructure investment, and especially the replacement of ageing infrastructure, requires a significant amount of cash, and the municipality identified the preservation of its cash resources while also attending to the investment requirements, as a critical strategic area to be addressed in each future budget.

The population growth in the municipal area is amongst the highest in the Western Cape. Naturally that requires additional capital infrastructure, as well as an increased demand for services. In terms of the Constitution, local government is entitled to its fair share of revenue raised nationally. This is being distributed in the form of an Equitable Share to all municipalities. Despite the well above average increase in population numbers, the amount of Equitable Share received per capita is only 65.8% of the average in the Western Cape and the lowest allocation in the Western Cape, at R216.55 per capita, while the average in the Western Cape is R329.33. This represents an amount of R12.8 million, which must be recovered from tariffs and the municipality is well aware of the negative effect of tariff increases on the consumers.

The municipality, with financial assistance from the Provincial Treasury, embarked on an exercise to determine financial benchmarks and standards for local government, the objective being to assist municipalities to measure itself against set benchmarks and against its peers, in order to continuously improve and to ensure financial viability. Below is a summary of the key benchmarks and the municipality's results for the financial year.

Viability Information	Average for Western Cape	Indicative Benchmark	2011/2012 Results for Swartland Municipality	2010/2011 Results for Swartland Municipality
Asset Test Ratio	152%	200%+	443%	425%
Payment Level (Excluding write-off of bad debts)	93%	>95%	96.64%	96.14%
Cash Generated from Operations	19%	>20%	19%	21%
Purchase of PPE as % of Cash Generated	85%	<100%	119%	119%
Cost Coverage (months)	1.86	>4	3.47	4.07
Debtors Turnover (days) (Before impairment)	142.37	<75.00	60.34	69.34
Long-term debt as % of Revenue	24%	<40%	42%	15%
Debt servicing cost to Revenue	4%	<15%	5.5%	5.8%
Short-term debt as % of Cash	266%	<50%	27%	30%
Cash Funded Budget over MTREF	100%	100%	100%	100%
Total indicative scoring	64.75%	60%	81%	89%

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From the above it is clear that the municipality equals or exceeds the benchmarks in nearly all areas and is on the right track in managing its financial resources, with the only real concern the amount of Property, Plant and Equipment purchased which exceeds the amount of cash generated by operations and therefore necessitates the raising of external loans. Some areas, however, indicate a decline against the previous year and will be continuously monitored and strategies developed to ensure acceptable levels.

Financial Overview - Year 1			
			R' 000
Details	Original budget	Adjustment Budget	Actual
Income			
Grants	R 51 067	R 53 898	R 56 573
Taxes, Levies and tariffs	R 274 103	R 274 103	R 271 284
Other	R 46 184	R 45 478	R 38 918
Sub Total	R 371 354	R 373 479	R 366 775
Less Expenditure	R 416 987	R 422 570	R 385 228
Net Total*	-R 45 633	-R 49 091	-R 18 453
* Note: surplus/(deficit)			T1.4.2

Operating Ratios	
Detail	%
Employee Cost	30.38
Repairs & Maintenance	4.00
Finance Charges & Depreciation	18.76
	T1.4.3

COMMENT ON OPERATING RATIOS

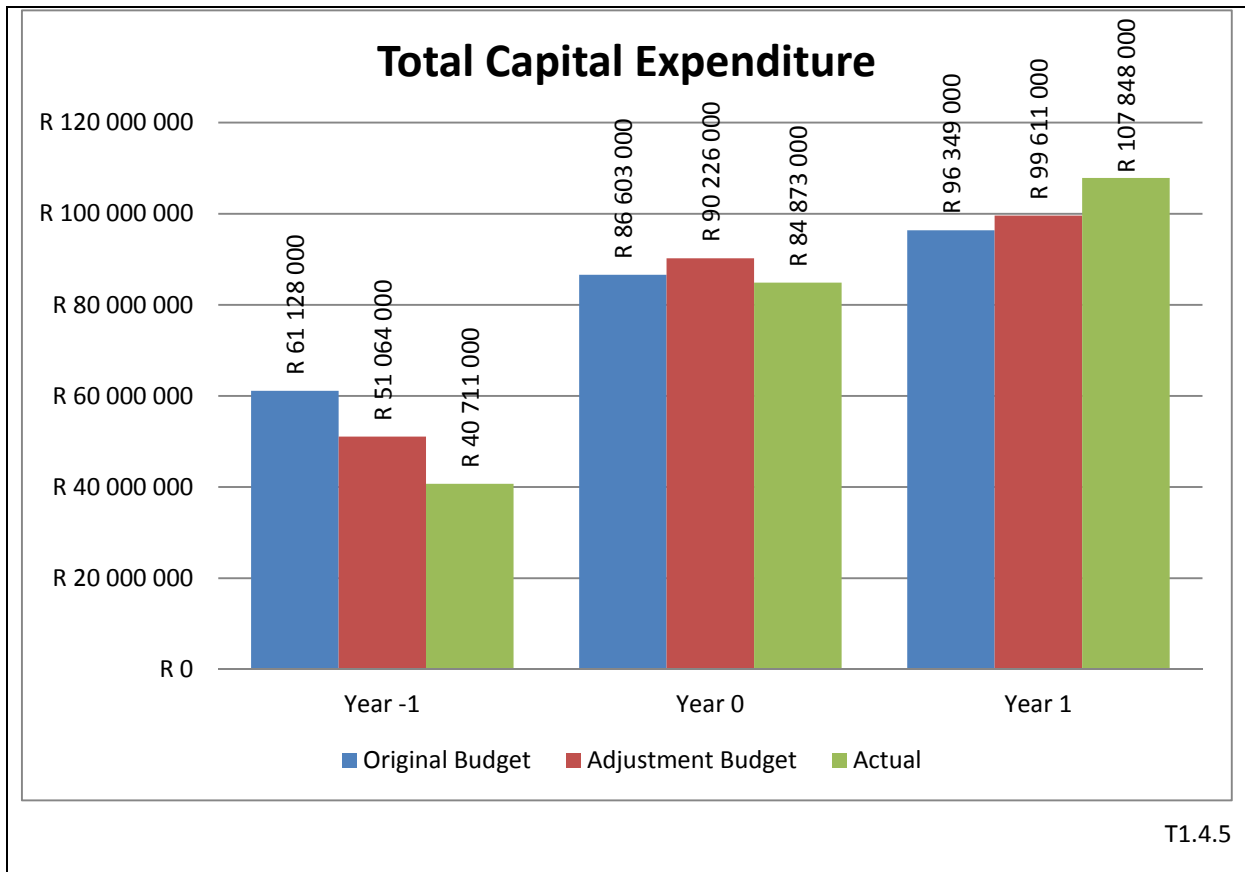
Total expenditure is 9.69% under budget, mainly as a result of reduced finance charges due to the late raising of the loan and reduced depreciation charges as a result of the review and extension of useful lives of assets. Revenue is 2.5% below the budget, mainly as a result of reduced interest on investments.

Employee costs represent 30.38% of total operating expenditure, which is in line with expected norms set by the National Treasury. However, due to different accounting policies being applied such as the valuation of infrastructure as well as differences in service delivery mechanisms, most notably the percentage allocation of electricity provision between municipalities and Eskom, the expected norm is not considered a good indicator. Should depreciation and bulk purchases for electricity be excluded from expenses, the employee cost as a percentage of operating expenditure is 56.5%, which are about 4% higher than the benchmark. Considering the relatively high level of services being provided as well as services such as policing which are not being provided by other municipalities, this percentage is considered acceptable.

Repairs and Maintenance costs represents 4% of total operating expenditure. This is well below National Treasury's expected norm of 20%, however there is a totally different approach to cost allocations between the National Treasury's methods and the municipality's methods. Should depreciation and bulk purchases for electricity be excluded from expenses, the repairs and maintenance as a percentage of operating expenditure is 7.9% which, although higher than the average in the Western Cape, is still considered insufficient and well below a target of 10.6%. The increased spending on new infrastructure, mostly funded from grants, as well as the age of the existing infrastructure requires significant spending on repairs and maintenance, but a lack of funding puts a damper to this requirement. The municipality is looking at strategies to ensure proper maintenance of all municipal assets.

Finance charges are relatively low, but only as a result of the late raising of the R105m loan. The full effect of the loan raised will be reflected in the 2012/2013 financial year. Depreciation charges are well above the average as a result of the deemed cost approach as described in the financial overview above.

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COMMENT ON CAPITAL EXPENDITURE

Expenditure on capital exceeded the budget by 8.27%. This is mainly as a result of interest on the loan raised being capitalised (R5.8m) as well as expenditure incurred to complete the Chatsworth Housing Project (R2.5m), which were budgeted for but not completed in the prior financial year.

1.5. ORGANISATIONAL DEVELOPMENT OVERVIEW

ORGANISATIONAL DEVELOPMENT PERFORMANCE

Swartland Municipality aims to ensure service delivery of the best possible quality for all the inhabitants of the Municipality. To achieve this, a prime goal of the Municipality's Human Resource Strategy is: **To create a flexible organisation that enables optimal performance by developing and retaining a properly skilled and representative workforce.** Swartland Municipality considers its human resources as one of its most critical assets.

1.6. AUDITOR GENERAL REPORT

REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND THE COUNCIL ON SWARTLAND MUNICIPALITY

REPORT ON THE FINANCIAL STATEMENTS

Introduction

- I have audited the financial statements of the Swartland Municipality set out on pages 3 to 79 and 85 to 87, which comprise the statement of financial position as at 30 June 2012, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

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Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2011 (Act No. 6 of 2011) (DoRA), and for such internal control as the accounting officer determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Swartland Municipality as at 30 June 2012, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matter

7. I draw attention to the matter below. My opinion is not modified in respect of this matter:

Restatement of corresponding figures

8. As disclosed in note 46 and 56 to the financial statements, the corresponding figures for 30 June 2011 have been restated as a result of errors discovered during the 2011-12 financial year in the financial statements of the Swartland Municipality at, and for the year ended, 30 June 2011.

Additional matters

9. I draw attention to the matters below. My opinion is not modified in respect of these matters:

Unaudited supplementary schedules

10. The supplementary information set out on pages 80 to 84 and 88 to 89 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

11. In accordance with the PAA and in terms of the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, non-compliance with laws and regulations and internal control, but not for the purposes of expressing an opinion.

Predetermined objectives

12. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 24 to 141 of the annual report.
13. The reported performance against predetermined objectives was evaluated against the overall criteria of

Chapter 1

usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury's annual reporting principles and whether the reported performance is consistent with the planned development priorities or objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.

The reliability of the information in respect of the selected development objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

14. There are no material findings on the annual performance report concerning the usefulness and reliability of the information.

Compliance with laws and regulations

15. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA.

Internal control

16. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. I did not identify any deficiencies in internal control which I considered sufficiently significant for inclusion in this report.

Auditor-General
2

Cape Town

30 November 2012



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Chapter 1

1.7. STATUTORY ANNUAL REPORT PROCESS

No.	Activity	Timeframe
1	Consideration of next financial year’s Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft year 1 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	
12	Municipalities receive and start to address the Auditor General’s comments	September - October
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor- General’s Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	November
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	
19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	December
		January
T1.7.1		

Chapter 2

CHAPTER 2 – GOVERNANCE

INTRODUCTION TO GOVERNANCE

Governance is seen by Swartland Municipality as the exercise of economic, political and administrative authority to manage the municipality's affairs at all levels. It comprises the mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights, meet their obligations and mediate their differences.

To ensure good governance, which is – among other things – participatory, transparent and accountable – the Municipality views the four components dealt with in this Chapter as interrelated and mutually reinforcing.

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO POLITICAL AND ADMINISTRATIVE GOVERNANCE

Section 151(3) of the Constitution states that the council of a municipality has the right to govern, on its own initiative, the local government affairs of the local community.

Political governance is the process of decision-making to formulate policy, whereas administrative governance is the system of policy implementation.

Swartland Municipality strives towards achieving the following characteristics of efficient government in both the above legs of governance: •Participation; •Rule of law; •Transparency; •Responsiveness; •Consensus orientation; •Equity; •Effectiveness and efficiency; •Accountability; and •Strategic vision.

2.1 POLITICAL GOVERNANCE

INTRODUCTION TO POLITICAL GOVERNANCE

Swartland Municipality has a mayoral executive system combined with a ward participatory system, whereby executive leadership vests in the executive mayor who is assisted by a mayoral committee. In terms of delegation, all legislative powers vest in the executive mayor, except for those listed by law for exclusive decision-making by the full council.

Recommendations on their respective portfolios are made for consideration to the executive mayor by three committees, appointed in terms of section 79 of the Structures Act, 1998, i.e. committees dealing with matters relating to (1) Administration and Finance, (2) Technical (Civil and Electrical) Services and (3) Development and Protection Services. Ward committees for each of the ten wards within the municipal area (prior to the May 2011 elections) contribute by advising the municipality on matters affecting the respective wards.

The Audit Committee provides opinions and recommendations on financial processes and performance to Council, and also provides comments to the Oversight Committee on the Annual Report.

Swartland Municipality has established an Oversight Committee, comprised of non-executive councillors, with the specific purpose of providing the Council with comments and recommendations on the Annual Report. The Oversight Committee's report will be published separately in accordance with MFMA guidance.

Chapter 2

POLITICAL STRUCTURE



MAYOR
Ald T van Essen



DEPUTY MAYOR
Ald M S I Goliath

SPEAKER
Ald A Johnson (deceased, 17 May 2012)



CHIEF WHIP
Cllr B W Geel

MAYORAL COMMITTEE



Cllr C H H Hunsinger



Cllr A C Sedeman



Cllr M van Zyl



Cllr W Wilskut

COUNCILLORS

The Municipal Council of the Municipality has twenty three councillors, as determined by the Provincial Minister, of which twelve are ward councillors and eleven are proportionally elected councillors. Refer to Appendix A where a full list of councillors can be found. Also refer to Appendix B which sets out committees and committee purposes.

POLITICAL DECISION-TAKING

Section 53 of the Municipal Systems Act (Act 32 of 2000) stipulates inter alia that the respective roles and areas of responsibility of each political structure and political office bearer of the Municipality and of the municipal manager must be defined. The section below is based on the Section 53 role clarification that was approved at the council meeting of May 2011.

Chapter 2

(a) Municipal Council

- governs by making and administering laws, raising taxes and taking decisions that affect people's rights;
- is a tax authority that may raise property taxes and service levies;
- is the primary decision maker and takes all the decisions of the Municipality except those that are delegated to political structures, political office bearers, individual councillors or officials;
- can delegate responsibilities and duties for the purposes of fast and effective decision making;
- must strive towards the constitutional objects of local government;
- must consult the community with respect to local government matters; and
- is the only decision maker on non-delegated matters such as the approval of the IDP and budget.

(b) Executive Mayor

- is the executive and political leader of the Municipality and is in this capacity supported by the mayoral committee;
- is the social and ceremonial head of the Municipality;
- must identify the needs of the Municipality and must evaluate progress against key performance indicators;
- is the defender of the public's right to be heard;
- has many responsibilities with respect to the annual budget, the budget process, budget control and various other financial matters; and
- performs the duties and exercise the responsibilities that were delegated to him by the council.

(c) Mayoral Committee

- its members are elected by the Executive Mayor from the ranks of councillors, with the exception of the Deputy Executive Mayor who is elected by the council and is an ex officio member of the mayoral committee;
- its functional responsibility area is linked to that of the Executive Mayor to the extent that he must operate together with the members of the mayoral committee;
- its primary task is to assist the Executive Mayor in the execution of his powers - it is in fact an "extension of the office of Executive Mayor"; and
- the committee has no powers of its own – decision making remains that of the Executive Mayor.

2.2 ADMINISTRATIVE GOVERNANCE

INTRODUCTION TO ADMINISTRATIVE GOVERNANCE

By law, the Municipal Manager automatically is the head of administration as well as the accounting officer. The Municipal Manager has extensive statutory and delegated powers and duties, as well as powers and duties that can be inferred from such statutory and delegated powers and duties.

The Municipal Manager is, amongst others, responsible –

- for the formation and development of an economical, effective, efficient and accountable administration;
- to ensure that the municipal "machine" operates efficiently, that the organizational structure is able to perform the various tasks and exercise the necessary controls;
- to fulfil a leadership role in the administration; this is of utmost importance to influence the actions of staff and to inspire and persuade them to work together to realize the municipality's goals;
- for the implementation of the municipality's integrated development plan, and the monitoring of progress with implementation of the plan;
- for the financial responsibilities as accounting officer as determined by the MFMA.

The Municipal Manager is the chief adviser of the municipality and must advise the political structures and political office-bearers of the municipality. The Municipal Manager must see to the carrying out of the decisions of the political structures and political office-bearers of the municipality.

Chapter 2

The Municipal Manager must facilitate participation by the local community in the affairs of the municipality and must also develop and maintain a system whereby community satisfaction with municipal services is assessed.

The Swartland Municipality adopted an “outcomes” approach to ensure that the management of the Municipality is pursuing the effective, efficient and economical functioning of the organisation. Outcomes are the quality and/or impact of the outputs on achieving the overall objective. It shows the broader consequences of programmes and projects. Eight strategic outcomes were identified, namely –

- a financially sustainable municipality with well-maintained assets;
- satisfied, involved and well informed clients;
- an effective, efficient, motivated and appropriately skilled workforce;
- access to affordable and reliable municipal infrastructure;
- sustainable development of the municipal area
- a lean, integrated, stable and corruption free organisation;
- increased community and employee safety and security;
- local economic development that is conducive to job creation and an improved quality of life.

The IDP Annual Plan for 2011/2012 has clearly defined strategic objectives, key performance indicators and annual targets. These are clearly linked with the annual budget and the Municipality’s performance system. These linkages made it possible for the management team to work towards achieving the objectives and outcomes of the Municipality.

The Municipal Manager of a municipality is the accounting officer of the municipality and must provide guidance to political structures; political office bearers, and officials of the municipality.

TOP ADMINISTRATIVE STRUCTURE

TIER 1



MUNICIPAL MANAGER
Mr J J Scholtz

TIER 2

DIRECTORS



DIRECTOR: FINANCIAL SERVICES
Mr K C Cooper



DIRECTOR: CORPORATE SERVICES
Ms M S Terblanche



DIRECTOR: CIVIL ENGINEERING SERVICES
Mr A J Botha



DIRECTOR: ELECTRICAL ENGINEERING SERVICES
Mr R du Toit

Chapter 2



Director: DEVELOPMENT SERVICES
Mr J T Steenkamp



DIRECTOR: PROTECTION SERVICES
Mr P A C Humphreys

COMPONENT B: PUBLIC ACCOUNTABILITY AND PARTICIPATION

2.3 PUBLIC MEETINGS

COMMUNICATION, PARTICIPATION AND FORUMS

Public participation in Swartland is done in a **structured** way. The directive from national government on how community participation should be structured is the ward committee system. Most of the liaison with communities is done through ward committee meetings.

Although ward committees provide for representation of communities on a geographical basis, there are also a number of sector interests not covered by ward committees that play a major role within the municipal area, such as education, business and agriculture. Liaison with and involvement of such sector groups is therefore also crucial in order to get a full picture of the current reality in our area. Liaison with sector groups is done mainly through the Swartland Municipal Advisory Forum (SMAF).

The Municipality also communicates through a well-structured website www.swartland.gov.za.

WARD COMMITTEES

Section 152(1)(e) of the Constitution of the Republic of South Africa, read with sections 72 to 78 of the Structures Act, gives a direct mandate to municipalities to encourage the involvement of communities and community organisations in matters of local government and to establish community participatory systems.

Sections 8 (g and h), 9(f) and 72 of the Structures Act, authorise municipalities to establish ward participatory systems as mechanisms to enhance participatory democracy in local government.

A ward committee is an advisory body of the community. A ward committee serves as the official public participatory structure of the Municipality and must as such –

- (a) assist the ward councillor in identifying challenges and needs of residents;
- (b) disseminate information in the ward concerning municipal affairs such as the budget, the integrated development plan (IDP) and service delivery options;
- (c) obtain inputs from residents regarding municipal affairs such as the budget, the integrated development planning and service delivery options;
- (d) receive queries and complaints from residents concerning municipal service delivery; and
- (e) interact with other forums and organisations on matters affecting the ward.

It was important to establish a ward committee for each of the 12 wards as soon as possible after the May 2011 elections. Thereafter much time was spent on induction, specifically on the Rules and Procedures for ward committees, the IDP and budget process. Ward committee members had the opportunity to participate in the development of Area Plans for each ward, containing, amongst others, the five most important service delivery priorities for each ward.

Chapter 2

Public Meetings					
Nature and purpose of meeting	Date of events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community members attending	Dates and manner of feedback given to community
CIVIL ENGINEERING SERVICES					
Implementation of refuse removal service in Ruststasie	23 May 12	None	2	±20	N/a
DEVELOPMENT SERVICES					
Meeting with Malmesbury small farmers about the role and responsibility of the council with regard to small farmers	22 March 12	2	2	50	
Meeting with Swartland Small Farmers to discuss the constitution	10 March 12	0	1	15	
Various meetings with Darling small farmers - - regarding moving farmers to the land promised by DRDLR - appointment of Agri-expert to write Business Plan - determining criteria regarding move to land promised by Dept of Rural Development and Land Reform (DRDLR) - land offer of DRDLR - lease agreement between Swartland Municipality and small farmers	various dates	between 1 & 2	between 1 & 3	76 in total	various dates
Meetings with coordinators of schools programme for the June holiday programme, 2012	various dates	0	1	25 in total	various dates & written evaluation of holiday programme
Early Childhood Development (ECD)-Wielie Walie Parenting workshop	30 May '12	0	2	10 parents	
ECD-management course	15-Jun-12			50 teachers attended	Recruitment was done via West Coast College and our ECD Forum. Schools had to report back to the ECD Forum
ECD-governing body training	various dates	0	between 1 & 4	41 in total	Feedback to ECD-forum
Swartland Performing Arts Talent Show	23-Jun-12	0	4	±300 young people attended	This will be a yearly event to encourage arts and culture

Chapter 2

Career Guidance Workshop Inform learners (Youth) about Career options and were to apply for bursaries	various dates	0	1	30 Malmesbury (Ilinge Lethu/ Wesbank) 13 Moorreesburg 16 Chatsworth 15 Kalbaskraal	Follow up with youth to notify them of bursary applications
Youth Empowering Week	various dates	1	2	22 Darling 20 Ilinge Lethu 54 Moorreesburg 51 Riebeek West	Youth contacted to address needs
Youth Festival Ilinge Lethu – to showcase talent and to share experiences of youth week	16 June '12	1	2	98	Youth contacted to address needs
Pace Career Workshop to inform learners (youth) about career options and were to apply for bursaries, CV writing	various dates	0	1	12 Darling 12 Riverlands 22 Koringberg 14 Moorreesburg	Follow with career guidance workshop to inform learners/ youth about availability of the bursaries at FET Colleges and Universities and information regarding who qualifies for the tertiary level that are available and the career choice that the country need
Wellness Day	2 Dec '11	1	5	±89	n/a
Traditional Healers Launch	19 May '12	1	4	150	Feedback October 2012 through committee meeting

2.4 IDP PARTICIPATION AND ALIGNMENT

IDP Participation and Alignment Criteria*	Yes/No
Does the municipality have impact, outcome, input, output indicators?	Yes
Does the IDP have priorities, objectives, KPIs, development strategies?	Yes
Does the IDP have multi-year targets?	Yes
Are the above aligned and can they calculate into a score?	Yes
Does the budget align directly to the KPIs in the strategic plan?	Yes
Do the IDP KPIs align to the Section 57 Managers	Yes
Do the IDP KPIs lead to functional area KPIs as per the SDBIP?	Yes
Were the indicators communicated to the public?	Yes
Were the four quarter aligned reports submitted within stipulated time frames?	Yes
* Section 26 Municipal Systems Act 2000	
T2.5.1	

Chapter 2

COMPONENT C: CORPORATE GOVERNANCE

OVERVIEW OF CORPORATE GOVERNANCE

The King-report listed discipline, transparency, independence, accountability, responsibility, fairness and social responsibility as the seven primary characteristics of good governance. These traits have to be evident in municipal operations from the municipal council at the top to departmental staff at the bottom.

Corporate governance is the system by which municipalities/companies are directed and controlled and is essentially for effective leadership. Leaders need to define strategy, provide direction and establish the ethics and values that will influence and guide practices and behaviour with regard to sustainability performance. The framework of rules and practices ensures accountability, fairness, and transparency in a municipality's relationship with its stakeholders (financiers, customers, suppliers, management, employees, government, and the community).

2.5 RISK MANAGEMENT

RISK MANAGEMENT

Risk Management is one of management's core responsibilities according to section 62 of the Municipal Finance Management Act (MFMA) and is an integral part of the internal processes of a municipality. It is a systematic process to identify, evaluate and address risks on a continuous basis before such risks can impact negatively on the service delivery capacity of the Swartland Municipality. When properly executed risk management provides reasonable assurance that the institution will be successful in achieving its goals and objectives.

A Risk Assessment is compiled by each Directorate to determine the magnitude of risk exposure by assessing the likelihood of the risk materialising and the impact that it would have on the achievement of objectives. The identified risks are prioritised which enables Management to focus more time, effort and resources on higher risk areas.

To mitigate the risks it is confronted with, Management implements control activities by establishing policies and appropriate procedures such as approvals, authorisations, segregation of duties, reconciliations and physical safeguards.

The following top five risks of the municipality have been identified for which management action plans are indicated in the IDP:

- Insufficient revenue to meet the demand for services
- Expensive and unaffordable services
- Ageing and poorly maintained infrastructure which can result in a collapse in services
- Lack of appropriately skilled and productive staff
- Unsafe and unhealthy working environment.

2.6 ANTI-CORRUPTION AND FRAUD

FRAUD AND ANTI-CORRUPTION STRATEGY

Swartland Municipality subscribes to the principles of good corporate governance, which requires the conducting of business in an honest and transparent fashion. Consequently Swartland Municipality is committed to fighting fraudulent behaviour at all levels within the organisation.

The Strategy is premised on the organisations core ethical values driving the business of Swartland, the development of its systems, policies and procedures, interactions with ratepayers, the public and other stakeholders, and even decision-making by individual managers representing the organisation. This means that in practice all municipalities, departments and other business units of Swartland and even external stakeholders must be guided by the Strategy as the point of reference for their conduct in relation to Swartland.

Chapter 2

The policy of Swartland is zero tolerance to fraud and corruption. In addition, all fraud and corruption will be investigated and followed up by the application of all remedies available within the full extent of the law and the implementation of appropriate prevention and detection controls. These prevention controls include the existing financial and other controls and checking mechanisms as prescribed in the systems, policies and procedures of Swartland.

It is the responsibility of all employees to immediately report all allegations or incidents of fraud and corruption to their immediate manager. All managers are responsible for the detection, prevention and investigation of fraud and corruption and must report all incidents and allegations of fraud and corruption to the Municipal Manager. The Municipal Manager will initiate an investigation into the matter. Should employees wish to report allegations of fraud and corruption anonymously, they can contact the Municipal Manager and/ or the Internal Audit Department directly.

Any fraud and corruption committed by an employee or any other person will be pursued by thorough investigation and to the full extent of the law, including (where appropriate) consideration of:

- In case of employees, taking disciplinary action within a reasonable period of time after the incident;
- instituting civil action to recover losses;
- initiating criminal prosecution by reporting the matter to the SAPS or any other relevant law enforcement agency; and
- any other appropriate and legal remedy available.

Managers are required to ensure that losses or damages suffered by Swartland as a result of all reported acts committed or omitted by an employee, ratepayer or any other person are recovered from such an employee, ratepayer or other person if he or she is found to be liable for such losses.

Fraudulent and corruption awareness are done by means of newsletters, information notices with pay sheets and presentations by guest/ specialist speakers. Policies, processes and systems are implemented by which the Municipality is directed, controlled and held to account with the trend towards greater corporate responsibility and the conduct of business within acceptable ethical standards. Transparency, accountability and openness are embedded in reporting and disclosure of information, both operational and financial to all stakeholders. Councillors' and Employees' work are governed by the municipality's rules, regulations and procedures and the Codes of Conduct for employees and Councillors to which they are expected to abide by, which includes guidelines on gifts, professional and personal behaviour and conflicts of interest. Segregation of duties exists within the procurement function and politicians are excluded from procurement and tender processes.

An Internal Audit Unit exists within Swartland under the control and direction of an Audit Committee. A risks base audit plan is compiled whereby audits are planned and executed. Furthermore, the internal audit report on matters relating to:

- Internal Control
- Accounting procedures and practices
- Risk and risk management
- Loss control
- Compliance with applicable legislation

The overall function of the Audit Committee is to assist Council members of Swartland Municipality in discharging their responsibilities relating to the safeguarding of assets, the operation of adequate and effective systems and control processes, the preparation of fairly presented financial statements in compliance with all applicable legal and regulatory requirements and accounting standards, and the oversight of the external and internal audit appointments and functions. The Audit Committee is an independent function that excludes politicians and excludes officials as voting members. Swartland Municipality's Audit Committee recommendations for year 2011/2012 are set out in **Appendix G**.

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2.7 SUPPLY CHAIN MANAGEMENT

OVERVIEW SUPPLY CHAIN MANAGEMENT

The Supply Chain Policy of Swartland Municipality complies with the prescribed framework as set out in section 110-119 of the Municipal Finance Management Act, 2003. No shortfalls were identified regarding long term contracts.

2.8 BY-LAWS

By-laws Introduced during Year 1					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
Swartland Waste Management By-law		Yes	7 July '11	Yes	15 Dec '11
	Property Rates By-law	Yes	02 May '12	Yes	15 June '12
Note: See MSA section 13.					T2.9.1

COMMENT ON BY-LAWS:

By-laws are passed by the Council to regulate the affairs and the services it provides within its area of jurisdiction. A municipality derives the powers to pass a by-law from the Constitution of the Republic of South Africa, which gives certain specified powers and competencies to local government as set out in Part B of Schedule 4 and Part B of Schedule 5 to the Constitution.

2.9 WEBSITES

Municipal Website : Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	
All current budget-related policies	Yes	
The previous annual report (Year 0)	Yes	
The annual report (Year 1) published/to be published	-	-
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (Year 1) and resulting scorecards	Yes	
All service delivery agreements (Year 1)	Yes	
All long-term borrowing contracts (Year 1)	Yes	
All supply chain management contracts above a prescribed value (R100 000) for Year 1	Yes	various dates during year
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	n/a	n/a : not prescribed by legislation
Contracts agreed in Year 1 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	n/a	n/a
Public-private partnership agreements referred to in section 120 made in Year 1	n/a	n/a
All quarterly reports tabled in the council in terms of section 52 (d) during Year 1	Yes	-

Chapter 2

2.10 PUBLIC SATISFACTION ON MUNICIPAL SERVICES

PUBLIC SATISFACTION LEVELS

Satisfaction Survey undertaken during 2011				
Subject matter of survey	Survey method	Survey date	No of people included in survey	Survey results (score out of 5)*
Overall satisfaction with:				
(a) Municipality	Telephonic interviews	Nov 2011	348	4
(b) Municipal Service Delivery	Telephonic interviews	Nov 2011	348	3.9
(c) Mayor	Telephonic interviews	Nov 2011	348	Not rated
Satisfaction with:				
(a) Refuse Collection	Telephonic interviews	Nov 2011	348	4.1
(b) Road Maintenance	Telephonic interviews	Nov 2011	348	3.4
(c) Electricity Supply	Telephonic interviews	Nov 2011	348	4.1
(d) Water Supply	Telephonic interviews	Nov 2011	348	4.1
(e) Information supplied by municipality to the public	Telephonic interviews	Nov 2011	348	3.9
(f) Opportunities for consultation on municipal affairs	Telephonic interviews	Nov 2011	348	Not rated
*5= Excellent, 4 = Good, 3 = Average, 2 = Poor, 1 = Very poor				T2.11.2

COMMENT ON SATISFACTION LEVELS:

The Municipality has a highly effective performance management system implemented at top and middle management levels. Service delivery and client service are monitored on a monthly basis and evaluated formally on a quarterly basis. Monthly and quarterly reports are submitted to Council Committees.

Chapter 3

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE

COMPONENT A: BASIC SERVICES

This component includes: water; waste water (sanitation); electricity; waste management; and housing services; and a summary of free basic services.

3.1. WATER PROVISION

INTRODUCTION TO WATER PROVISION

Swartland Municipality is the Water Services Authority for its service area. Water is abstracted from two bulk sources, i.e. Voëlvlei Dam and the Misverstand Dam. The West Coast District Municipality provides bulk water as well as water purification and treatment services to Swartland Municipality through the Withoogte and Swartland bulk supply schemes. The West Coast DM was also appointed by Swartland Municipality as a Water Services Provider in terms of the Water Services Act.

All residents in urban areas in the service area of Swartland Municipality have access to water services and free basic water is provided to all.

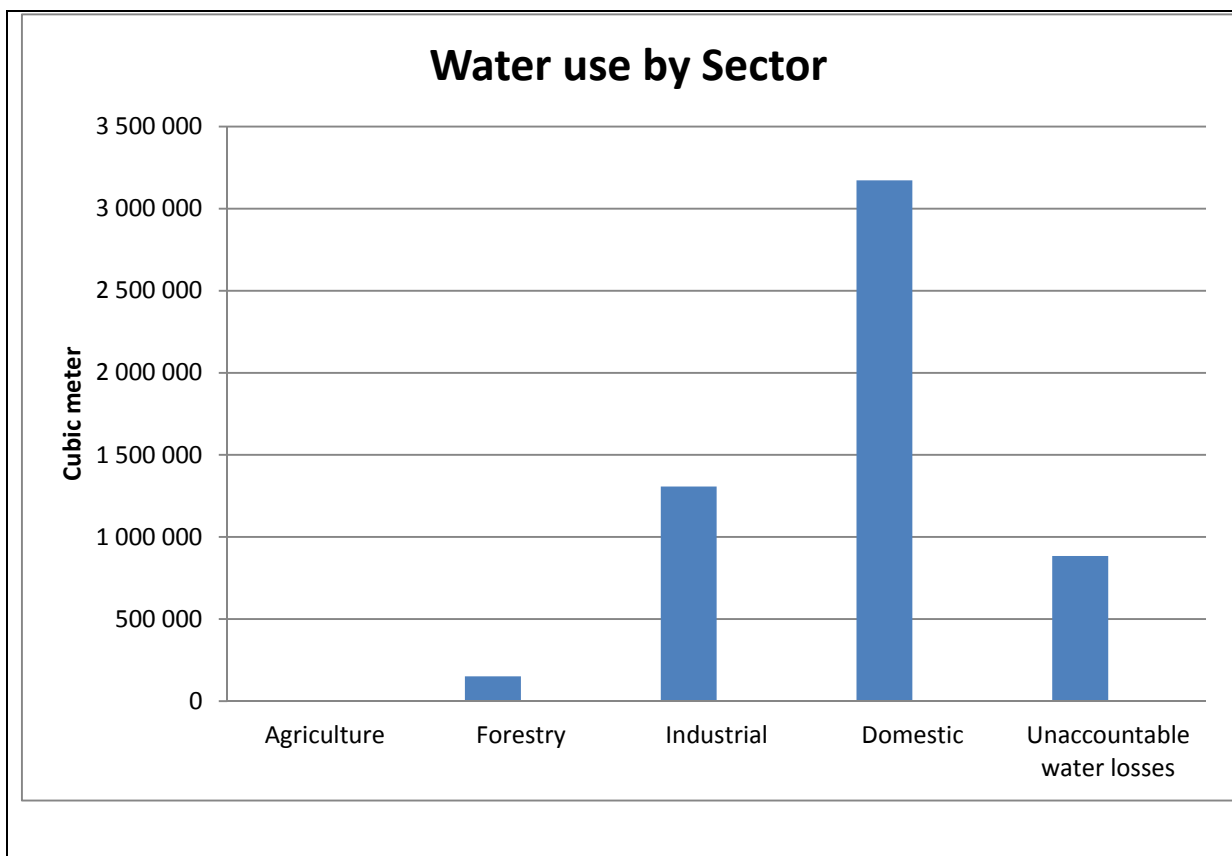
Swartland Municipality managed to achieve Blue Drop Status for both the Withoogte and Swartland water supply schemes with a score of 95,24. Swartland is positioned 22nd on the 2012 National Blue Drop Performance Log. However, the Municipality notes that it will be challenging to retain the Blue Drop status as further refinement is still required in terms of water safety planning and risk based management.

Ageing infrastructure remains one of the key focus areas for the Municipality. In order to ensure that water infrastructure will be able to ensure continuous service provision in future, the Municipality implemented a pipe replacement programme and a project to repair obsolete reservoirs.

A further priority is to ensure that adequate services are available to enable future development. For this purpose master planning for water provision is kept up to date.

Total Use of Water by Sector (cubic meters)					
	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
Year 0	0	150 771	1 307 611	3 172 373	884 000
Year 1					
					T3.1.2

Chapter 3



COMMENT ON WATER USE BY SECTOR:

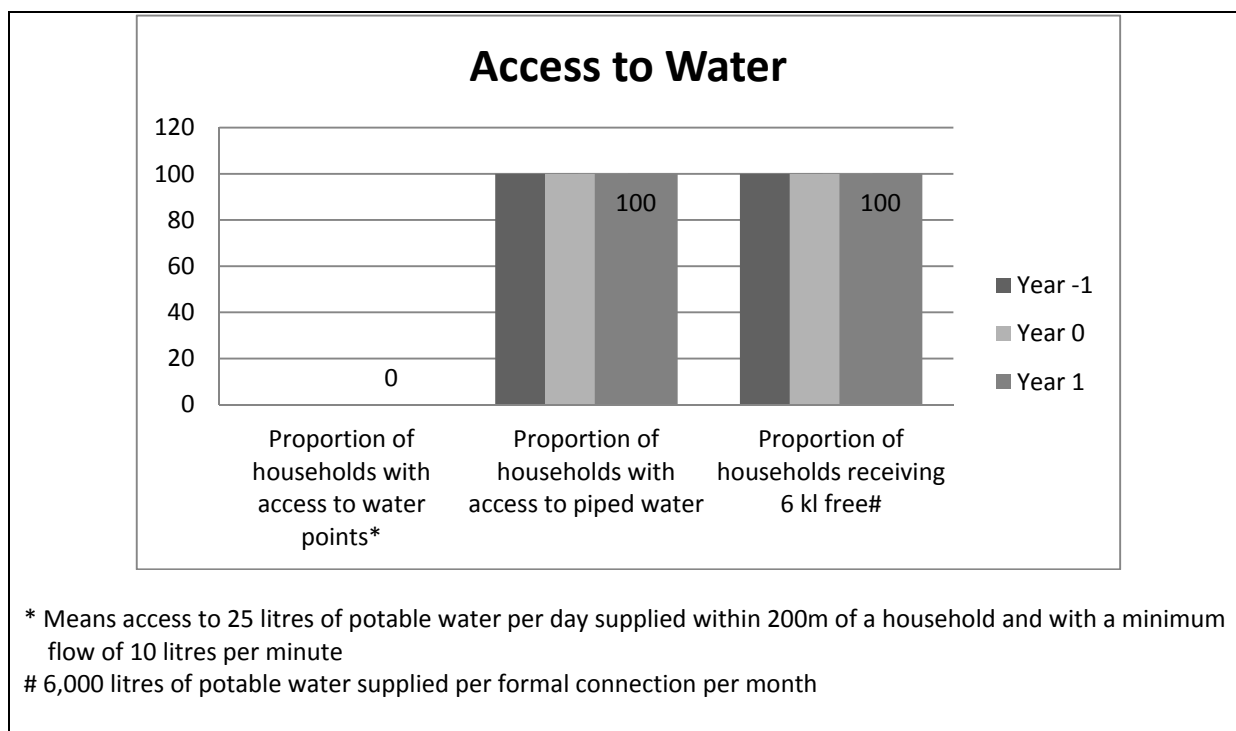
Water demand has remained fairly constant over the past three years. Future increase in demand may be partially mitigated by implementing water conservation and demand management measures.

Water Service Delivery Levels				
Description	Households			
	Year -2 Actual No.	Year -1 Actual No.	Year 0 Actual No.	Year 1 Actual No.
<u>Water: (above min level)</u>				
Piped water inside dwelling	15 825	16 221	16 627	17 042
Piped water inside yard (but not in dwelling)	0	0	0	0
Using public tap (within 200m from dwelling)	65	65	65	65
Other water supply (within 200m)				
<i>Minimum Service Level and Above sub-total</i>	<i>15 890</i>	<i>16 286</i>	<i>16 692</i>	<i>17 107</i>
<i>Minimum Service Level and Above Percentage</i>	<i>98%</i>	<i>98%</i>	<i>98%</i>	<i>98%</i>
<u>Water: (below min level)</u>				
Using public tap (more than 200m from dwelling)	0	0	0	0
Other water supply (more than 200m from dwelling)	0	0	0	0
No water supply	0	0	0	0
<i>Below Minimum Service Level sub-total</i>	<i>344</i>	<i>344</i>	<i>344</i>	<i>344</i>
<i>Below Minimum Service Level Percentage</i>	<i>2%</i>	<i>2%</i>	<i>2%</i>	<i>2%</i>
Total number of households*	16 234	16 630	17 036	17 451
* - To include informal settlements				T3.1.3

Chapter 3

Households - Water Service Delivery Levels below the minimum						
Description	Year -2	Year -1	Year 0	Year 1		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	0	0	0	0	0	0
Households below minimum service level	–	–	–	–	–	–
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
Informal Settlements						
Total households	338	338	338	338	338	338
Households ts below minimum service level	0	0	0	0	0	0
Proportion of households ts below minimum service level	0%	0%	0%	0%	0%	0%

T3.1.4



Chapter 3

Water Service Policy Objectives Taken From IDP								
Performance Objectives	Key Performance Indicator	2010/11			2011/12			2012/13
		Target	Actual	Score	Target	Actual	Score	Target
Universal indicators								
Households without minimum water supply	Additional Households provided with minimum water supply during the year (Number of households (HHs) without supply at year end)	Nr of additional HHs (Nr of HHs outstanding)	Nr of additional HHs (Nr of HHs outstanding)		Nr of additional HHs (Nr of HHs outstanding)	Nr of additional HHs (Nr of HHs outstanding)		Nr of additional HHs (Nr of HHs outstanding)
Improve reliability of water supply	Reduce the number of interruptions (Ints) in supply of one hour or more compared to the baseline of Year 0 (Nr of Ints of one hour or more during the yr)	Nr of Ints	Nr of Ints		Nr of Ints	Nr of Ints		Nr of Ints
Improve water conservation	Reduce unaccountable water levels compared to the baseline of Year 0 (xxx kilolitres (KLs) unaccounted for during the yr)	Nr of KLs	Nr of KLs		Nr of KLs	Nr of KLs		Nr of KLs
Indicators from IDP (from 2012/13 only)								
Ensure access to water	% proclaimed erven with access to water				-	-	-	Maintain 100%
Ensure up to date master planning with respect to water	Master plans for water updated annually if required				-	-	-	Yes
Continuously monitor infrastructure capacity	Average capacity as measured by individual indicators in PMS				-	-	-	Maintain 100%
	% of new applications for development on existing erven that can be accommodated				-	-	-	100%
If insufficient, plan and budget to rectify capacity in line with relevant master plan(s)	Project(s) identified and cost estimated submitted for budget purposes				-	-	-	100%
Do proper integrated planning to ensure that planning and the provision of services are well coordinated and that there is always sufficient capacity	Does the capital budget reflect a higher priority for the upgrading of infrastructure for core service delivery?				-	-	-	Yes (annually)

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Minimise water losses	% total water losses				-	-	-	Maintain below 16%
Install new bulk water meters	Meters installed and operational				-	-	-	By April 2013
Indicators from IDP (from 2010/11)								
Ensure that all households have access to water within 200m in the area (General KPI)	% of urban households with access within 200 meters	100%	100%	3	100%	100%	3	100%
Ensure continuous and available water supply	% of new water connections completed within 10 working days	100%	100%	3	100%	100%	3	100%
	Number of interruptions in continuous service to consumers, where interruptions for a single incident was greater than 3 hrs	100%	100%	3	4 pm maximum	2.33 pm average	3	4 pm maximum
	Number of interruptions in continuous service to consumers, where interruptions for a single incident was greater than 48 hrs (KPI17)DWAF)	0 maximum	0	3	0 maximum	0	3	0 maximum
Ensure safety of water supply	% of samples compliant with the microbiological requirements of the SANS 248	95.0%	99.6%	3	95.0%	99.6%	3	95.0%
Ensure effective operation and maintenance of water supply network	Storage capacity of reservoirs (hours)	36 hrs	36 hrs	3	36 hrs	36 hrs	3	36 hrs
	% of unaccounted for water	18% maximum	14.75% average	3	18% maximum	16% average	3	18% maximum
Ensure client orientated water provision	Number of legitimate written complaints i.r.o. water received	4pm maximum	2 for the year	3	4pm maximum	1 for the year	3	4pm maximum
	% of written correspondence i.r.o. water attended to within 10 working days	100%	100%	3	100%	100%	3	100%

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Employees: Water Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	25	25	23	2	8%
4 - 6	5	5	5	0	0%
7 - 9	6	6	6	0	0%
10 - 12	5	5	5	0	0%
13 - 15	3	3	3	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	-
Total	45	45	43	2	4%

Financial Performance Year 1: Water Services					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R 27 155 563	R 29 793 203	R 29 793 203	R 33 761 285	12%
Expenditure:					
Employees	R 6 809 314	R 7 034 960	R 7 034 960	R 7 727 434	9%
Repairs and Maintenance	R 922 783	R 936 580	R 1 096 580	R 861 487	-9%
Other	R 29 713 870	R 32 940 870	R 33 044 518	R 30 496 756	-8%
Total Operational Expenditure	R 37 445 966	R 40 912 410	R 41 176 058	R 39 085 677	-5%
Net Operational Expenditure	R 10 290 403	R 11 119 207	R 11 382 855	R 5 324 392	-109%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
					T3.1.8

Capital Expenditure Year 1: Water Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 3 171	R 2 064	R 2 677	-18%	
Darling - pump to reservoir	R 950	-	-	-	
Replacement of 2 old reservoirs Riebeek West	R 200	R 200	R 200	0%	
Pump Station : Moorreesburg	R 700	R 1 073	R 1 688	59%	
Pipeline: Malmesbury - Kalbaskraal	R 500	-	-	-	
Pipeline: Malmesbury - Kalbaskraal - Donation is subject to VAT	R 61	-	-	-	

Chapter 3

COMMENT ON WATER SERVICES PERFORMANCE OVERALL:

The IDP has seven strategic outcomes and the provision of water services is aligned to the following four outcomes:

- Outcome 1: A financially sustainable municipality with well-maintained assets;
- Outcome 2: Satisfied, well informed clients;
- Outcome 4: Access to affordable and reliable infrastructure;
- Outcome 5: Sustainable development of the municipal area (with special emphasis on previously neglected areas).

Various actions have been developed to ensure that the strategic outcomes are achieved. These include the minimisation of distribution losses, the increase on maintenance spending and the implementation of water conservation and demand management measures.

There are two capital projects and both are for the upgrading of existing reservoirs and pump stations. These reservoirs and pump stations became obsolete and leak repairs are frequently required. The new reservoirs and pump station will also have an increased storage capacity in order to supply in future demand. The upgrading of the reservoir project is a multi-year project with the planning, design and authorisation processes completed in year 1 and the construction phase scheduled for the 2012-2013 financial year. The upgrading of the pump station project was implemented in year 1. Both projects were implemented according to the service delivery and budget implementation plan.

3.2 WASTE WATER (SANITATION) PROVISION

INTRODUCTION TO SANITATION PROVISION

Swartland Municipality operates four activated sludge waste water treatment works and five oxidation pond systems. Sewer is conveyed to the treatment works and oxidation pond systems either by a water borne collector system or a vacuum tanker service.

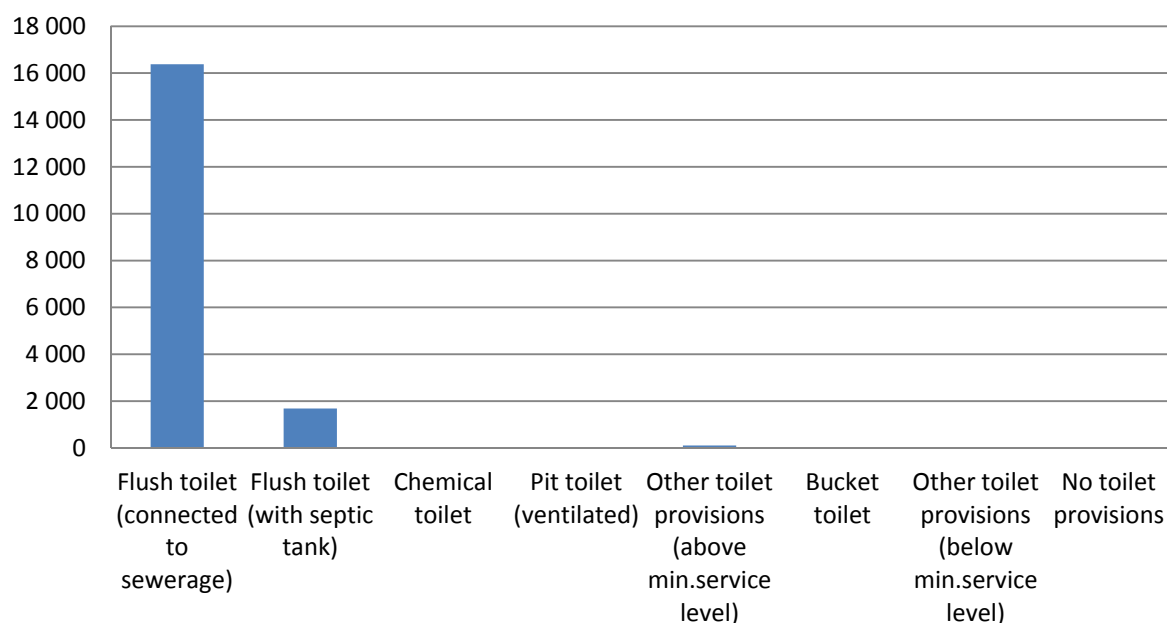
Sewer services are available throughout the whole service area of Swartland Municipality and free basic sewer services are provided to registered indigent households.

Ensuring that sufficient treatment capacity is available for present and future demand is a key focus area for the municipality. A major project is underway for extension of the Malmesbury waste water treatment works. Further upgrading projects include the Darling, Moorreesburg, Riebeek Valley, Chatsworth and Koringberg waste water treatment works. The upgrading of waste water treatment works is multiyear projects and the aforementioned are in various phases from preliminary planning and investigation to construction and commissioning.

Measures were taken to improve the monitoring of wet industries in order to ensure that industrial effluent charges can be raised according to the loading of the effluent. These include the installation of automatic sampling and flow measurement equipment.

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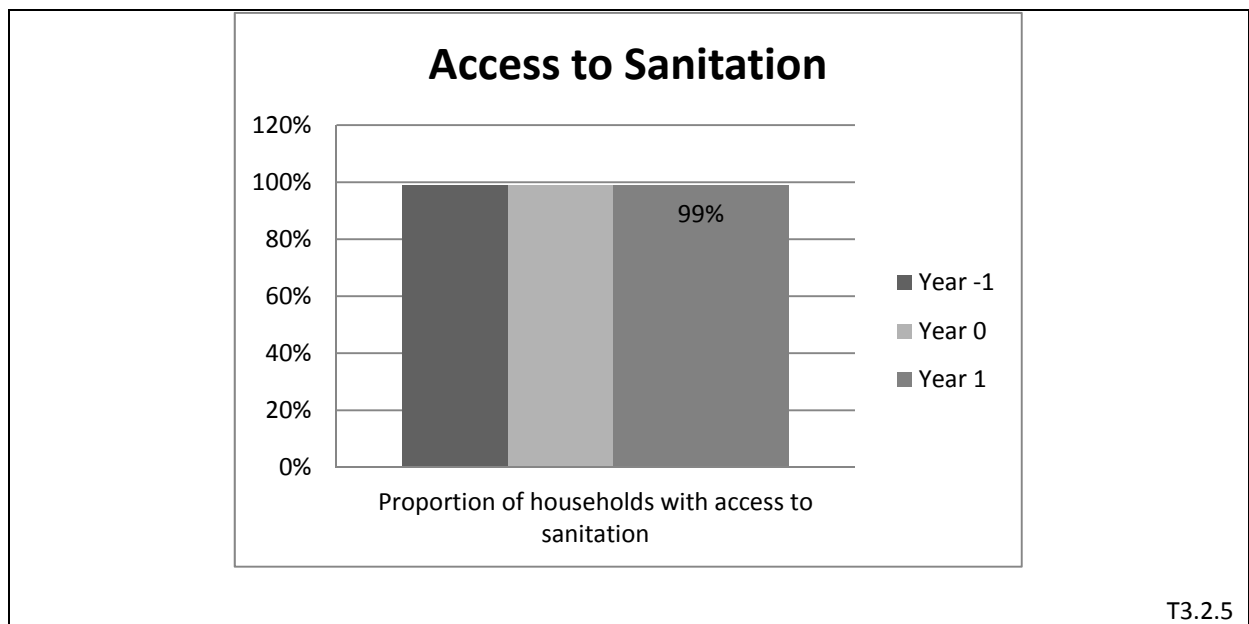
Sanitation/Sewerage: (above minimum level) - Year 1



Sanitation Service Delivery Levels				
Description	Year -2	Year -1	Year 0	Year 1
	Outcome	Outcome	Outcome	Actual
	No.	No.	No.	No.
Sanitation/sewerage: (above minimum level)				
Flush toilet (connected to sewerage)	15 208	15 588	15 978	16 377
Flush toilet (with septic tank)	1 589	1 621	1 653	1 687
Chemical toilet	0	0	0	0
Pit toilet (ventilated)	0	0	0	0
Other toilet provisions (above min. service level)	109	109	109	109
<i>Minimum Service Level and Above sub-total</i>	16 906	17 318	17 740	18 173
<i>Minimum Service Level and Above Percentage</i>	100.0%	100.0%	100.0%	100.0%
Sanitation/sewerage: (below minimum level)				
Bucket toilet	0	0	0	0
Other toilet provisions (below min. service level)	0	0	0	0
No toilet provisions	0	0	0	0
<i>Below Minimum Service Level sub-total</i>	0	0	0	0
<i>Below Minimum Service Level Percentage</i>	0.0%	0.0%	0.0%	0.0%
Total households	16 906	17 318	17 740	18 173
*Total number of households including informal settlements				T3.2.3

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Households - Sanitation Service Delivery Levels below the minimum				
Description	Year -2	Year -1	Year 0	Year 1
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Formal Settlements				
Total households				16 377
Households below minimum service level				94
Proportion of households below minimum service level				1%
Informal Settlements				
Total households				
Households ts below minimum service level				
Proportion of households ts below minimum service level				
T3.2.4				



Chapter 3

Waste Water (Sanitation) Service Policy Objectives Taken From IDP								
Performance Objectives	Key Performance Indicator	2010/11			2011/12			2012/13
		Target	Actual	Score	Target	Actual	Score	Target
Universal indicators								
Provision of toilets within standard	Additional Households (HHs) provided with minimum sanitation during the year (Number of HHs remaining without minimum sanitation at year end)	Nr of additional HHs (Nr of HHs remaining)	Nr of additional HHs (Nr of HHs remaining)		Nr of additional HHs (Nr of HHs remaining)	Nr of additional HHs (Nr of HHs remaining)		Nr of additional HHs (Nr of HHs remaining)
Indicators from IDP (from 2012/13 only)								
Ensure access to sewerage	% proclaimed erven with access to sewerage				-	-	-	Maintain 100%
Ensure up to date master planning with respect to sewerage	Master plans for sewerage updated annually if required				-	-	-	Yes
Continuously monitor infrastructure capacity	Average capacity as measured by individual indicators in PMS				-	-	-	Maintain 100%
	% of new applications for development on existing erven that can be accommodated				-	-	-	100%
If insufficient, plan and budget to rectify capacity in line with relevant master plan(s)	Project(s) identified and cost estimated submitted for budget purposes				-	-	-	100%
Do proper integrated planning to ensure that planning and the provision of services are well coordinated and that there is always sufficient capacity	Does the capital budget reflect a higher priority for the upgrading of infrastructure for core service delivery?				-	-	-	Yes (annually)
Indicators from IDP (from 2010/11)								
Ensure that all urban households have access to sanitation services within 200m (General KPI)	% of urban households with access to sanitation	100%	100%	3	100%	100%	3	100%
Ensure continuous and available sewerage service	Number of interruptions in continuous service to consumers where the interruption for a single incident was greater than 3 hours	4 pm average	0	3	4 pm maximum	2 for the year	3	4 pm maximum
	% of new sewer connections completed within 10 working days	100%	100%	3	100%	100%	3	100%

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	% of tank pumping service requests completed within 24 hours	95%	100%	3	95%	99.6% average	3	-
	Number of tank pumping service requests not completed within 24 hours	n/a	-	-	-	-	-	5 pm maximum
Ensure effective operation and maintenance of waste water treatment works	% compliance with DWA general limits for the discharge of treated waste water	80%	81.6%	3	75.0%	81.3% average	3.1	75.0%
	Number of legitimate written complaints i.r.o. waste water received	4 pm average	0	3	4 pm maximum	0	3	4 pm maximum
	% of written correspondence i.r.o. waste water attended to within 10 working days	100%	100%	3	100%	100%	3	100%

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Employees: Sanitation Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	14	16	14	2	13%
4 - 6	3	3	3	0	0%
7 - 9	6	8	7	1	13%
10 - 12	0	0	0	0	-
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
Total	24	28	25	3	11%

Financial Performance Year 1: Sanitation Services					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R 25 085 007	R 28 355 143	R 28 355 143	R 31 286 881	9%
Expenditure:					
Employees	R 4 049 285	R 4 855 120	R 4 855 120	R 4 209 596	-15%
Repairs and Maintenance	R 1 459 466	R 2 059 100	R 2 059 100	R 1 570 470	-31%
Other	R 13 465 074	R 33 116 467	R 31 243 711	R 18 000 118	-84%
Total Operational Expenditure	R 18 973 825	R 40 030 687	R 38 157 931	R 23 780 184	-68%
Net Operational Expenditure	-R 6 111 182	R 11 675 544	R 9 802 788	-R 7 506 697	256%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					
					T3.2.8

Capital Expenditure Year 1: Sanitation Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 64 184	R 62 122	R 66 449	3%	
Sewerage Works: Malmesbury	R 53 824	R 53 824	R 58 246	8%	
Upgrading of WWTW Riebeeck Wes and Riebeeck Kasteel	R 2 168	R 750	R 750	-189%	
Sewerage : Koringberg	R 461	R 461	R 461	0%	
Sewerage : Chatsworth	R 400	R 400	R 389	-3%	
Replace CK37920 (Truck)	R 1 100	R 1 025	R 1 025	-7%	

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COMMENT ON SANITATION SERVICES PERFORMANCE OVERALL:

The IDP has seven strategic outcomes and the provision of sanitation services is aligned to the following four outcomes:

- Outcome 1: A financially sustainable municipality with well-maintained assets;
- Outcome 2: Satisfied, well informed clients;
- Outcome 4: Access to affordable and reliable infrastructure;
- Outcome 5: Sustainable development of the municipal area (with special emphasis on previous neglected areas).

Various actions have been developed to ensure that the strategic outcomes are achieved. These include the increase on maintenance spending and the implementation of an asset management plan.

The four major sanitation projects are for the upgrading of the Malmesbury, Riebeek, Koringberg and Chatsworth waste water treatment works. These projects are all multi-year projects. The Malmesbury waste water treatment works is in the construction phase while the remainder of the projects is in the detail design and environmental authorisation phase.

3.3 ELECTRICITY

INTRODUCTION TO ELECTRICITY

All formal and informal households within the licensed area of electricity supply of Swartland Municipality occupying a proclaimed plot has access to electricity and no service backlogs exists in this respect.

Top three service delivery priorities

(1) Upgrading of obsolete electrical networks

The annual upgrading project for the renewal, upgrading and refurbishment of obsolete electrical networks and associated infrastructure is on schedule and for the 2011/12 financial year in excess of 5% of the annual revenue derived from electricity sales as required by the National Energy Regulator of South Africa (NERSA) in terms of distribution license conditions, was allocated towards this end. Major improvement of the electricity networks enhancing safety and reliability has been effected and in 2011/12 the obsolete and operationally hazardous main substation of Malmesbury has been completely replaced.

(2) Provision of power supply for new sewerage plant

A new sewerage plant utilizing advanced membrane technology in the final process stage to purify effluent is nearing completion and a new power supply with increased capacity was successfully constructed and commissioned.

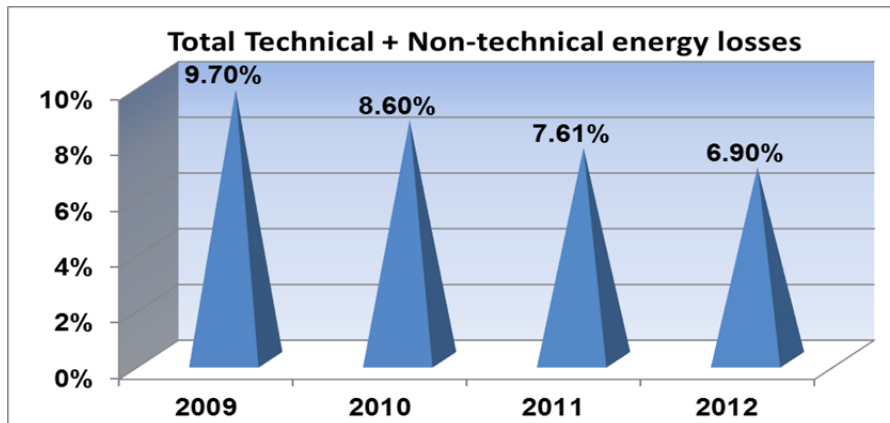
(3) Compliance with service delivery performance indicators and targets

All performance targets re service delivery with respect to availability and reliability of electricity were complied with and in certain instances the required targets were exceeded. While in terms of the NERSA license conditions Quality of Service (QoS) specification 30% of all power failure complaints must be attended to within 1.5 hours, the municipality set the target at 60% and for 2011/12 the actual achievement was 89%.

Improvement of performance and efficiencies

As a result of the allocation of experienced, technically skilled personnel and resources towards revenue protection incorporating data analysis skills, engineering and technical expertise, law enforcement certification as well as negotiation and mediation capabilities, a further reduction of the total of technical and non-technical electrical losses was achieved, i.e. from 7.6% in 2010/11 to 6,9% in 2011/12. The following graphical representation depicts the achievement over time.

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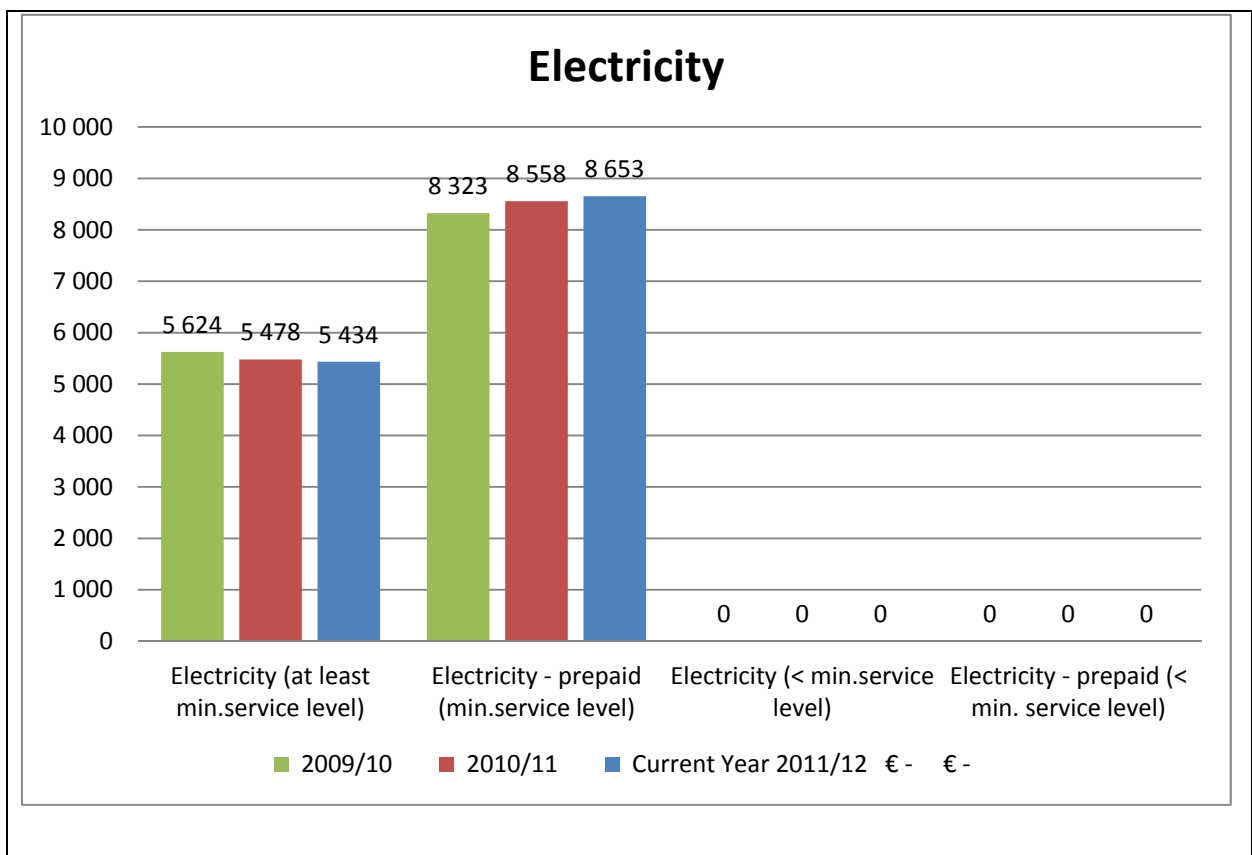
Major successes achieved and challenges

Despite the high electricity tariff increases and the resultant lack of growth and reduced consumption in certain consumer categories, the net income generated by electricity sales has exceeded the budget. This was achieved by the significant decrease of technical and non-technical energy losses culminating in less energy being purchased while achieving the projected sales volume.

The main substation of Malmesbury has been completely replaced by the construction of a new substation adjacent to the existing substation building and all electrical load was transferred without having to arrange any planned disruptions or occurrence of any unplanned disruptions. In addition, in order to facilitate the transfer of load at the minimum cost the new substation building was constructed in such a position and the switchgear configured appropriately to ensure that the majority of cables could be disconnected from the existing substation and reconnected onto the new substation without having to extend the cables.

Service provision by municipal entities

None



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Electricity Service Delivery Levels				
Description	Year -2	Year -1	Year 0	Households Year 1
	Actual No.	Actual No.	Actual No.	Actual No.
Energy: (above minimum level)				
Electricity (at least min. service level)	5 624	5 624	5 478	5 434
Electricity - prepaid (min. service level)	8 323	8 323	8 558	8 653
<i>Minimum Service Level and Above sub-total</i>	13 947	13 947	14 036	14 087
<i>Minimum Service Level and Above Percentage</i>	100.0%	100.0%	100.0%	100.0%
Energy: (below minimum level)				
Electricity (< min. service level)	0	0	0	0
Electricity - prepaid (< min. service level)	0	0	0	0
Other energy sources	0	0	0	0
<i>Below Minimum Service Level sub-total</i>	0	0	0	0
<i>Below Minimum Service Level Percentage</i>	0.0%	0.0%	0.0%	0.0%
Total number of households	13 947	13 947	14 036	14 087
T3.3.3				

Households - Electricity Service Delivery Levels below the minimum						
Description	Year -2	Year -1	Year 0	Households Year 1		
	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
	No.	No.	No.	No.	No.	No.
Formal Settlements						
Total households	13 937	13 947	14 036	14 049	38	14 087
Households below minimum service level	0	0	0	0	0	0
Proportion of households below minimum service level	0%	0%	0%	0%	0%	0%
Informal Settlements						
Total households	0	0	0	0	0	0
Households ts below minimum service level	0	0	0	0	0	0
Proportion of households ts below minimum service level	0%	0%	0%	0%	0%	0%
T3.3.4						

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Electricity Service Policy Objectives Taken From IDP								
Performance Objectives	Key Performance Indicator	2010/11			2011/12			2012/13
		Target	Actual	Score	Target	Actual	Score	Target
Universal indicators								
Provision of minimum supply of electricity	Additional households (HHs) provided with minimum supply during the year (Number of HHs below minimum supply level)	Nr of additional HHs (Nr of HHs below minimum)	Nr of additional HHs (Nr of HHs below minimum)		Nr of additional HHs (Nr of HHs below minimum)	Nr of additional HHs (Nr of HHs below minimum)		Nr of additional HHs (Nr of HHs below minimum)
Indicators from IDP (from 2012/13 only)								
Ensure access to electricity	% proclaimed erven with access to electricity				-	-	-	Maintain 100%
Ensure up to date master planning with respect to electricity	Master plans for electricity updated annually if required				-	-	-	Yes
Continuously monitor infrastructure capacity	Average capacity as measured by individual indicators in PMS				-	-	-	Maintain 100%
	% of new applications for development on existing erven that can be accommodated				-	-	-	100%
If insufficient, plan and budget to rectify capacity in line with relevant master plan(s)	Project(s) identified and cost estimated submitted for budget purposes				-	-	-	100%
Do proper integrated planning to ensure that planning and the provision of services are well coordinated and that there is always sufficient capacity	Does the capital budget reflect a higher priority for the upgrading of infrastructure for core service delivery?				-	-	-	Yes (annually)
Minimise energy losses	% total energy losses (technical + non-technical)				-	-	-	Maintain below 9%
Secure a realistic amount on the annual budget for electricity	Compliance with Nersa licence condition with respect to 5% of revenue for upgrading and refurbishment annually				-	-	-	Maintain 100%
Indicators from IDP (from 2010/11)								
Ensure that all households have access to electricity (National KPI)	% erven with access to electricity service	100%	100%	3	100%	100%	3	100%
Continuously do master planning	Up to date Master plans available by end of June?	Yes	Yes	3	Yes	Yes	3	Yes
Properly set and operate electrical	% of MV trip incidents investigated with	100%	50% average	1.5	100%	100%	3	100%

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protection systems	report							
Maintain supply capacity through continuous load forecasting	Quarterly forecasting done per town?	Yes	Yes	3	Yes	Yes	3	Yes
Meet reporting requirements	Annual Quality of Supply Report submitted by end of October?	Yes	Yes	3	Yes	Yes	3	Yes
Keep energy loss within an acceptable level	% technical and non-technical loss	12% maximum	8.6%	3	12% maximum	8.4% pm average	3	12% maximum
Ensure correct operation of meters for billing of bulk electricity	% bulk meters correctly programmed and documented	n/a	-	-	100%	99.7%	3	-
Provide sufficient network capacity	% of potential overload incidences dealt with effectively	100%	50% average	1.5	100%	100%	3	100%
Proper documentation of design	% of new electrical networks incorporated in CAD				100%	100%	3	-
	% of schematic diagrams on standard and correct				100%	100%	3	-
Ensure correct contract documentation	% sets of contract documents submitted for record keeping				100%	100%	3	-
Ensure sufficient income to cover costs	% of expenditure covered by connection income	95%	100%	3	100%	100%	3	100%
Ensure customer orientated electrical engineering services	Number of written complaints regarding connection applications per year				2 maximum for the year	0%	3	-
Ensure proper monitoring of the Client Service Charter	% of quotations for standard applications for electrical connections, upgradings, changes and new developments given on application				100%	100%	3	-
Properly maintain the electricity network	Review of maintenance policy and safety plans done by September? Yes or No	Yes	Yes	3	Yes	Yes	3	Yes
	% of maintenance budget spent (cumulative)	95%	98.0%	3	95%	95%	3	95%
Provide sufficient network capacity	Number of previously unreported medium voltage circuit overload incidences	2 pa maximum	2 for the year	3	2 pa maximum	1 for the year	3	2 pa maximum
Ensure that disruptions are in line with standards	% average compliance of planned disruptions (monthly)	95%	99.5%	3	95%	100%	3	95%
	% average compliance of unplanned disruptions	95%	100%	3	95%	100%	3	95%
Properly manage departmental construction projects	% of total actual completion according to schedule	80%	99%	3	90%	99%	3	90%
Ensure a high quality electricity support service	Number of legitimate written complaints per year	4 pa maximum	2 for the year	3	4 pa maximum	1 for the year	3	4 pa maximum

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Appropriately monitor and maintain network infrastructure	% built substations inspected per 3 month period	100%	100%	3	100%	100%	3	-
	% of mini substations and switchgear inspected annually	95%	95%	3	95%	100%	3	-
	% of km MV line inspected annually	95%	100%	3	95%	100%	3	-
	Number of tripping incidents caused by vegetation encroachment of MV and LV lines	5 pa maximum	2 for the year	3	5 pa maximum	0	3	-
	% Maintenance of substations and lines according to maintenance plan done				-	-	-	100%
Ensure correct personnel administration	Number of months during which information for monthly reports were submitted to Director				12	12	3	-
	Number of months during which standby and overtime schedules and time sheets were submitted correctly				12	12	3	-
Ensure sound safety practices in the provision of electrical service	Number of reportable safety incidents in terms of legislation	2 pa maximum	0	3	2 pa maximum	0	3	2 pa maximum
	Number of incidences not compliant in terms of safety committee reports	5 pa maximum	0	3	5 maximum for the year	0	3	-
Properly maintain vehicles and equipment	% of required generator service undertaken				100%	N/a	-	-
	% of required lifting equipment and compressors with valid certification				100%	100%	3	-
Ensure correct operational procedures	% of all MV work by external contractors for which permits were issued	100%	100%	3	100%	100%	3	100%
	Number of MV operations undertaken with unexpected incidents	5 pa maximum	3 for the year	3	4 maximum for the year	0	3	4 maximum for the year
Ensure proper monitoring of the Client Service Charter	% of unforeseen power outages (electrical faults, malfunctioning equipment, etc.) repaired within 1,5 hours	60%	80.5% average	3	60%	85.1% average	3	60%
	% complaints regarding faulty street lighting, area, building and sports field lighting dealt with within 5 working days	95%	100%	3	95%	100%	3	95%

Chapter 3

Employees: Electricity Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	11	12	12	0	0%
4 - 6	8	9	9	0	0%
7 - 9	7	7	7	0	0%
10 - 12	8	8	8	0	0%
13 - 15	3	3	3	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	-
Total	38	40	40	0	0%

T3.3.6

Financial Performance Year 1: Electricity Services					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R 125 290 590	R 156 080 624	R 156 080 624	R 156 608 365	0%
Expenditure:					
Employees	R 8 635 136	R 9 562 900	R 9 562 900	R 9 847 270	3%
Repairs and Maintenance	R 1 265 265	R 1 225 233	R 1 325 233	R 1 176 386	-4%
Other	R 99 182 787	R 126 626 423	R 127 109 388	R 122 406 594	-3%
Total Operational Expenditure	R 109 083 188	R 137 414 556	R 137 997 521	R 133 430 250	-3%
Net Operational Expenditure	-R 16 207 402	-R 18 666 068	-R 18 083 103	-R 23 178 114	19%

T3.3.7

Capital Expenditure Year 1: Electricity Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 11 400	R 11 348	R 10 875	-5%	
Upgrading aging electrical networks	R 8 500	R 8 500	R 8 079	-5%	R 8 500
Elec supply Mby sewerage plant	R 1 200	R 1 200	R 1 163	-3%	R 1 200
Elec industrial substation ext	R 1 000	R 1 000	R 1 006	1%	R 1 000
Replacement of vehicles	R 700	R 648	R 628	-11%	R 700
Equipment	R 705	R 600	R 584	-21%	R 705

Chapter 3

COMMENT ON ELECTRICITY SERVICES PERFORMANCE OVERALL:

PRIORITY OF 4 LARGEST CAPITAL PROJECTS

Upgrading of electrical infrastructure

The largest capital project is the on-going annual replacement, upgrading and refurbishment of obsolete electrical network components and infrastructure. The electrical networks of most municipalities have exceeded their design lifespan of 40-50 years and in terms of NERSA license conditions all municipalities are required to allocate at least 5% of electricity revenue towards this end. The priority is to first replace network components such as obsolete switchgear where operator safety is at risk and subsequently medium voltage networks and low voltage networks. At Swartland Municipality the majority of main medium voltage substations have already been upgraded, refurbished or upgraded. The following largest projects in this regard were completed in 2011/12:

(1) Replacement of Malmesbury Main Substation

The project was implemented to replace the obsolete switchgear panel which utilized bulk oil technology and represented a significant safety risk of explosion and associated oil vapour fire and arc flash while being operated with probable injury or fatality of operators. In addition, the fault level rating of the panel was inadequate to cater for the upgraded Eskom supply and future load requirements.

(2) Upgrading of obsolete MV Ring Main Units

Obsolete oil technology ring main units were replaced in Malmesbury and Moorreesburg to improve operator safety and reliability.

(3) Chatsworth housing project : Street lighting and Internal Electrical Installations

The housing project comprised the construction of 540 new low cost houses in Chatsworth which is within the Eskom area of supply. Eskom provided the electrical network infrastructure and house connections, however in terms of Eskom's mandate, street lighting and internal electrical installations in the 4 roomed houses (socket outlets and lights) were not their responsibility. Swartland Municipality therefore budgeted for the provision of street lighting and an internal electrical installation for each house. The project was completed successfully in the 2011/12 financial year. The project was prioritized to ensure installation of the street lighting and the internal electrical installations upon completion of the electrical infrastructure by Eskom.

(4) Power Supply to Sewerage Plant

The new sewerage plant being constructed in Malmesbury is scheduled for completion within the 2012/13 financial year and commissioning has commenced by July 2012. It was essential to provide and complete the upgraded power supply required for the sewerage plant in the 2011/12 financial year. The power supplies including the internal substations were successfully commissioned.

VARIANCES BETWEEN BUDGET AND ACTUAL

The variances between budget and actual achieved are minimal and within the required performance parameters set. The total capital budget variance is less than 5%. The year 5 targets as set out in the IDP can be attained provided that the approved budget provision can be maintained.

PERFORMANCE RELATED TO ESKOM AGREEMENTS

The performance related to agreements reached with Eskom is on schedule at this stage. Agreements have been concluded with Eskom for the upgrading and increasing of capacity of the power supply to Darling from a notified maximum demand of 4.5 MVA to 5.5 MVA and for an additional point of supply of 6MVA to Malmesbury to cater for future developments.

Chapter 3

3.4 WASTE MANAGEMENT (THIS SECTION TO INCLUDE: REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

INTRODUCTION TO WASTE MANAGEMENT

A household refuse removal service is available for all urban households in the Swartland on a weekly basis, but rural household/farms etc. do not have a refuse removal service. Only a few farms close to town are serviced if capacity allows it. All farms and rural households however can make use of Swartland Municipality's landfill sites on request. The challenge for Swartland Municipality this year was to combat illegal dumping, increase recycling and sweeping of sand in streets. The clearing of illegal dumping was given a boost this year with the purchase of two 12 Cub Tipper trucks with a crain to empty recycling igloos. Clearing of illegal dumping of household refuse are now done on a daily basis in each town and clearing of illegal dumping of building rubble and garden refuse each month per town. The recycling igloos were extended to 9 schools apart from the fact that every town has recycling igloos available for the public to recycle. The recycling that is done at the Highlands landfill site last year was about 30%/volume and about 28% this year which is due to the recycling plant reaching its maximum output and extentions are planned for 2013/14. Sweeping of sand in streets had a great help from the EPWP workers that were employed just before winter and was financed by the Cleanest Town price money. All the towns benefited from this job creation.

Equitable Share helps indigent families that cannot pay their refuse bills. However refuse removal services are delivered even if people do not pay. For those poor communities without transport to take refuse to the landfill sites or transfer stations, bulk refuse bins are placed at strategic points for their convenience. In Kalbaskraal, Riverlands and Chatsworth a local contractor, VS Mitchell renders the refuse removal and street cleaning service for Swartland Municipality. In Malmesbury, Riebeek West and Riebeek Kasteel the street cleaning services and cleaning of public toilets are rendered by Tshayela Projects.

The Highlands landfill site and recycling plant are managed by mr Hein Baumgarten. Highlands is the main landfill site for Swartland Municipality and about 90% of all Swartland's waste is received at Highlands.

Solid Waste Service Delivery Levels				
Description	Year -2	Year -1	Year 0	Households Year 1
	Actual No.	Actual No.	Actual No.	Actual No.
<u>Solid Waste Removal: (Minimum level)</u>				
Removed at least once a week	19 160	20 009	20 664	21 300
<i>Minimum Service Level and Above sub-total</i>	19 160	20 009	20 664	21 300
<i>Minimum Service Level and Above percentage</i>	100.0%	100.0%	100.0%	100.0%
<u>Solid Waste Removal: (Below minimum level)</u>				
Removed less frequently than once a week			0	
Using communal refuse dump			Farms	
Using own refuse dump			Farms	
Other rubbish disposal			Our refuse dumps	
No rubbish disposal			0	
<i>Below Minimum Service Level sub-total</i>	0	0	0	0
<i>Below Minimum Service Level percentage</i>	0.0%	0.0%	0.0%	0.0%
Total number of households	19 160	20 009	20 664	21 300
T3.4.2				

Chapter 3

Households - Solid Waste Service Delivery Levels below the minimum				
Description	Year -2	Year -1	Year 0	Households 2011
	Actual	Actual	Actual	Actual
	No.	No.	No.	No.
Formal Settlements				
Total households	19 160	20 009	20 664	21 300
Households below minimum service level	0	0	0	0
Proportion of households below minimum service level	0.0%	0.0%	0.0%	0.0%
Informal Settlements				
Total households	-	-	-	-
Households below minimum service level	-	-	-	-
Proportion of households below minimum service level				
				T3.4.3

Chapter 3

Waste Management Service Policy Objectives Taken From IDP								
Performance Objectives	Key Performance Indicator	2010/11			2011/12			2012/13
		Target	Actual	Score	Target	Actual	Score	Target
Universal indicators								
Provision of weekly collection service per household (HH)	Proportionate reduction in average weekly collection failures year on year (average number of collection failures each week)	Nr of weekly collection failures	Nr of weekly collection failures		Nr of weekly collection failures	Nr of weekly collection failures		Nr of weekly collection failures
Future capacity of existing and earmarked (approved use and in council possession) waste disposal sites	The amount of spare capacity available in terms of the number of years capacity available at the current rate of landfill usage	Nr of years of unused landfill capacity available	Nr of years of unused landfill capacity available		Nr of years of unused landfill capacity available	Nr of years of unused landfill capacity available		Nr of years of unused landfill capacity available
Proportion of waste that is recycled	Volumes of waste recycled as a percentage of total volume of waste disposed of at landfill sites.	% of waste recycled	% of waste recycled		% of waste recycled	% of waste recycled		% of waste recycled
Proportion of landfill sites in compliance with the Environmental Conservation Act 1989.	x% of landfill sites by volume that are being managed in compliance with the Environmental Conservation Act 1989.	% of sites compliant	% of sites compliant		% of sites compliant	% of sites compliant		% of sites compliant
Indicators from IDP (from 2012/13 only)								
Ensure access to waste management	% proclaimed erven with access to waste management				-	-	-	Maintain 100%
Garden refuses and household refuse separated at source	Investigation completed				-	-	-	By end of Oct 2012
Indicators from IDP (from 2010/11)								
Ensure that all Swartland residents have access to a high quality and continuous cleaning service	% households registered for refuse removal service which received a service once a week	100%	100%	3	100%	100%	3	100%
	Was the vehicle service schedule executed?				-	-	-	Yes
	Number of incidences per month where household refuse were not removed	5 pm maximum	5.6 pm average	3	5 pm maximum	3.5 pm average	2.9	5 pm maximum
	Number of legitimate written complaints regarding refuse removal	5 pm maximum	0	3	5 pm maximum	3 for the year	3	5 pm maximum
	Number of days that the service could not be provided because of vehicles that were not operational	1 pm maximum	0	3	1 pm maximum	0	3	-

Chapter 3

	Number of legitimate written complaints regarding cleaning	n/a	-	-	10 pm maximum	1.25 pm average	3	-
	% of reports of illegal dumping responded to within one month	n/a	-	-	-	-	-	100%
Ensure that cleaning services are considered in development applications	% of land use applications provided with conditions of approval (cleaning)	n/a	-	-	100%	100%	3	-
Ensure that all cleaning contractors' services are in line with their contracts	% of payment certificates for one man contracts issued on time	100%	98.3%	3	100%	100%	3	100%
Manage waste sites in an environmentally sensitive manner	% of waste sites that complies with legal requirements and standards	75%	79.8%	3	80%	81%	3	80%
Continuously monitor the Highlands site	Number of quarterly monitoring meetings	1	4	3	4	3	3	-
	Quarterly monitoring meetings held?	N/a	-	-	-	-	-	Yes
Promote a clean environment through recycling	% of quarterly recycling target met	30%	29.5%	3	27%	28.5 pm average	3	27%
Clean all municipal roads to an acceptable standard	Number of legitimate written complaints regarding dirty roads received	5 pm maximum	1 pm average	3	5 pm maximum	1.5 pm average	3	5 pm maximum
Ensure proper monitoring of the Client Service Charter	Number of months during which collection of residential and business refuse were done on a weekly basis according to a scheduled programme based on residential areas	12	12	3	12	12	3	-
	Monthly collection of residential and business refuse done on a weekly basis according to a scheduled programme based on residential areas?	n/a	-	-	-	-	-	Yes
	% of residential areas swept on a monthly basis	100%	100%	3	100%	100%	3	100%
	Number of months during which the central business district were swept on a daily basis in bigger towns and on a weekly basis in smaller towns	12	12	3	12	12	3	-
	Monthly sweeping of central business district done on a daily basis in bigger towns and on a weekly basis in smaller towns?	12	12	3	-	-	-	Yes

Chapter 3

Employees: Solid Waste Management Services, Waste Disposal and Other Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	47	50	49	1	2%
4 - 6	5	5	5	0	0%
7 - 9	9	10	9	1	10%
10 - 12	2	2	2	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
Total	64	68	66	2	3%

T3.4.5

Financial Performance Year 1: Solid Waste Management, Waste Disposal and Other Services					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R 13 262 068	R 19 405 541	R 20 305 541	R 21 600 438	10%
Expenditure:					
Employees	R 7 080 095	R 7 794 790	R 7 794 790	R 7 691 841	-1%
Repairs and Maintenance	R 3 138 235	R 3 505 674	R 3 505 674	R 3 726 165	6%
Other	R 7 045 531	R 7 550 681	R 7 611 681	R 7 680 715	2%
Total Operational Expenditure	R 17 263 861	R 18 851 144	R 18 912 145	R 19 098 721	1%
Net Operational Expenditure	R 4 001 793	-R 554 396	-R 1 393 396	-R 2 501 718	78%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

T3.4.7

Capital Expenditure Year 1: Waste Management Services					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 5 483 500	R 4 997 013	R 4 472 001	-23%	
CEA 7808 Truck Replace	R 1 000 000	R 914 409	R 914 409	-9%	R 1 000 000
CK 17766 (Street Cleaning Lorry)	R 400 000	R 332 833	R 332 833	-20%	R 400 000
CK 382 Truck Replace	R 1 000 000	R 926 438	R 926 438	-8%	R 1 000 000
CK 29939 Truck Replace	R 1 900 000	R 1 668 200	R 1 672 121	-14%	R 1 900 000
CK 17764 Tipper Replace	R 350 000	R 313 133	R 313 133	-12%	R 350 000

Chapter 3

COMMENT ON WASTE MANAGEMENT SERVICE PERFORMANCE OVERALL:

The four largest capital projects were the purchase of vehicles i.e.: one new refuse truck, two 12 Cub Tipper trucks for illegal dumping/recycling and one street cleansing truck. Twenty new 6 Cub refuse containers were purchased for the recycling of garden refuse. It started as a pilot project with a local farmer at no cost but was aborted by the farmer due to chipping cost being too high. Swartland Municipality is now investigating options for chipping and to use this garden refuse with the sludge from the sewerage works to manufacture compost and thus getting use for two by-products.

3.5 HOUSING

INTRODUCTION TO HOUSING

Swartland Municipality's strategy is to plan, co-ordinate, facilitate and accelerate relevant housing development programmes. The Human Settlement Housing Pipeline of the Municipality sets out the delivery of housing projects in the municipal area for the next five financial years.

Swartland Municipality managed to improve the quality of life of our residents by successfully completed 245 houses in 2011.

The successful completion of some projects is however subject to some bulk infrastructure upgrades .

Percentage of households with access to basic housing			
Year end	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
Year -2			-
Year -1			-
Year 0			-
2011 (Census)	29 324	26 649	90.9%
			T3.5.2

Chapter 3

Housing Service Policy Objectives Taken From IDP								
Performance Objectives	Key Performance Indicator	2010/11			2011/12			2012/13
		Target	Actual	Score	Target	Actual	Score	Target
Universal indicators								
Provision for housing for all households	Additional houses provided during the year (Houses required at year end)	Nr of additional houses (Nr of houses required)	Nr of additional houses (Nr of houses required)		Nr of additional houses (Nr of houses required)	Nr of additional houses (Nr of houses required)		Nr of additional houses (Nr of houses required)
Indicators from IDP (from 2012/13 only)								
Finalise integrated human settlement plan and submit to council for final approval	Document approved				-	-	-	By July 2012
	Housing pipeline revised				-	-	-	Annually by March
Compile budget programme for Council contributions	Budget programme completed				-	-	-	By Oct 2012
Implementation of projects and actions	Report on implementation according to agreed programme, timeframes and budgets				-	-	-	Monthly from Jul 2012
Indicators from IDP (from 2010/11)								
Effectively administer Council resources	% of flats allocated within one month after being vacated	90%	100%	3	90%	100%	3	100%
Provide an effective and client orientated housing service	Actual spending of housing funds (only applicable if a final grant is received)	100%	100%	3	100%	N/a	-	100%
	% contractors paid within two weeks from receiving a certified invoice	100%	100%	3	100% or N/a	100%	3	100% or N/a
	% applicants updated on waiting lists per month	100%	100%	3	100%	100%	3	100%
Ensure that housing access is provided in line with planning	Number of top structures completed	300	207 for the year	3	368	368 for the year	3	Not known yet
Support disaster victims on a continuous basis	% disaster victims supported	90%	100%	3	90%	100%	3	100%
Monitor and evaluate the changes in informal settlement in the region	Number of weekly inspections that took place	4 pm	4 pm	3	4 pm	4 pm	3	4 pm

Chapter 3

Maintain functional structures to address housing issues	Number of housing committee/ site/ technical meetings held	20 for the year	15 for the year	3	20 for the year	12 for the year	3	20 for the year
Accommodate vulnerable groupings, such as farm dwellers, in housing projects	% of persons from farms which are on waiting lists and which are accommodated in subsidized housing projects (for Chatsworth if and when realised)				5%	1.6% for the year	3	-
Ensure that all new home owners informed and aware of responsibilities and rights	Number of training sessions held	3 pm	6.8 pm average	3.4	3 pm	4.6 pm average	3.5	3 pm
Development of a human settlement plan	Human settlement plan reviewed by Council by May? Yes or No	Yes	Yes	3	Yes	Yes	3	-
	Housing pipeline reviewed by Council by March?	n/a	-	-	-	-	-	Yes

Chapter 3

Employees: Housing Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	-
4 - 6	2	2	2	0	0%
7 - 9	0	0	0	0	-
10 - 12	0	0	0	0	-
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
Total	3	3	3	0	0%

T3.5.4

Financial Performance Year 1: Housing Services					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R 252 186	R 260 270	R 260 270	R 250 433	-4%
Expenditure:					
Employees	R 845 005	R 946 420	R 946 420	R 954 661	1%
Repairs and Maintenance	R 10 574	R 62 740	R 62 740	R 22 359	-181%
Other	R 257 786	R 247 855	R 273 022	R 146 610	-69%
Total Operational Expenditure	R 1 113 365	R 1 257 015	R 1 282 182	R 1 123 630	-12%
Net Operational Expenditure	R 861 179	R 996 746	R 1 021 912	R 873 197	-14%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					

T3.5.5

Capital Expenditure Year 1: Housing Services					
					R' 000
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 0	R 0	R 0	-	
Project A	No Projects				
Project B				-	
Project C				-	
Project D				-	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					

T3.5.6

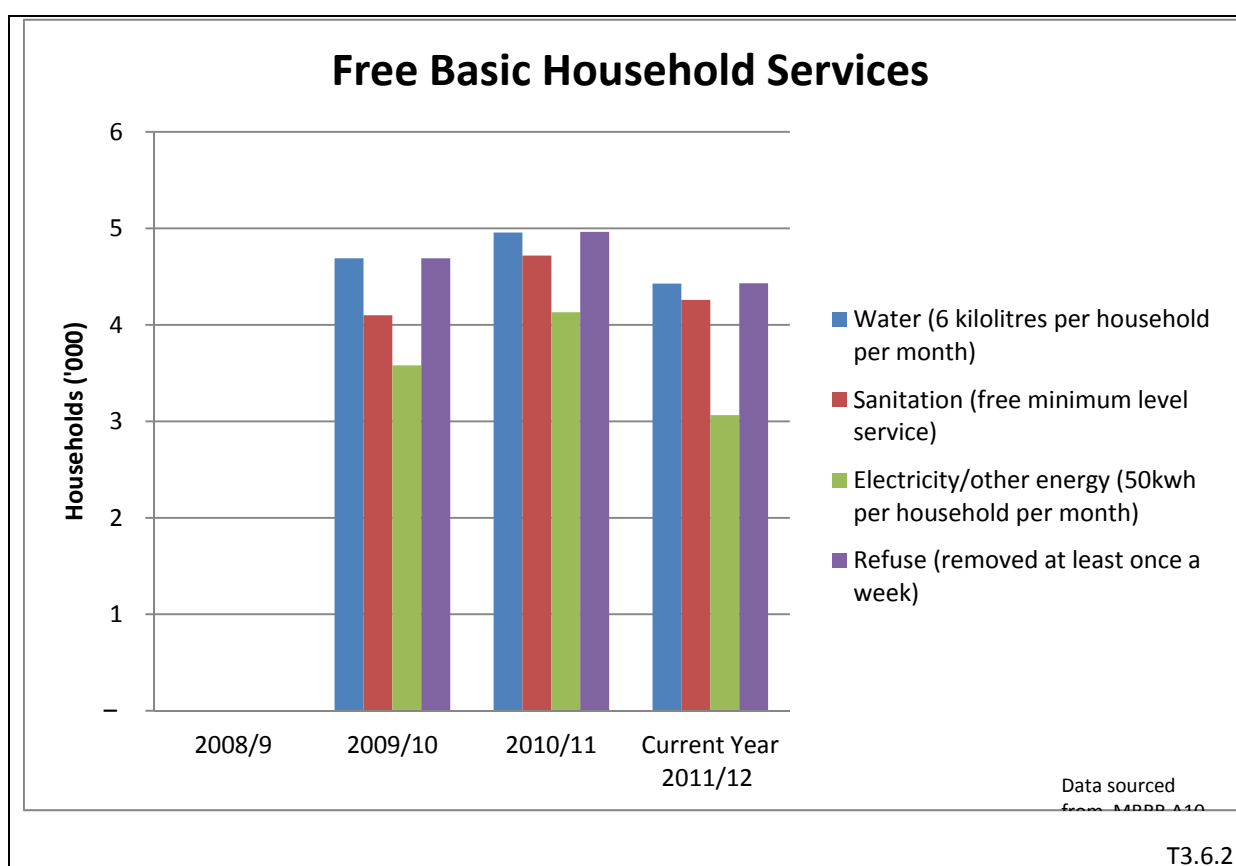
Chapter 3

3.6 FREE BASIC SERVICES AND INDIGENT SUPPORT

INTRODUCTION TO FREE BASIC SERVICES AND INDIGENT SUPPORT

In order to qualify for indigent support in terms of the Indigent Policy of Swartland Municipality, the following conditions apply:

- (1) the gross income of the income of all the members of the household normally resident on the premises, inclusive of the income of any other person who lives with the household on the premises, is equal to or less than twice the age grant paid by the State to qualifying beneficiaries as from time to time determined by the Minister of Welfare, plus 10%;
- (2) the head of the household and his/her family themselves should occupy the premises to which the application applies;
- (3) the head of the household/spouse and their lawful children who live with their parents on the premises, should not be the lawful owners of another house.



Free Basic Services To Low Income Households										
	Number of households									
	Total	Households earning less than R1,100 per month								
			Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Total	Access	%	Access	%	Access	%	Access	%
Year -1	16 823	4 422	4 344	98%	4 173	94%	4 118	93%	4 395	99%
Year 0	19 796	4 619	4 606	99%	4 421	96%	4 251	92%	4 609	100%
Year 1	21 000	4 912	4 888	100%	4 709	96%	4 626	94%	4 897	100%
T3.6.3										

Chapter 3

Financial Performance Year 1: Cost to Municipality of Free Basic Services Delivered					
Services Delivered	Year 0	Year 1			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Water	R 583 046	R 1 729 217	R 1 729 217	R 739 243	-134%
Waste Water (Sanitation)	R 4 945 847	R 6 542 759	R 6 542 759	R 6 096 165	-7%
Electricity	R 274 471	R 1 105 308	R 1 105 308	R 468 817	-136%
Waste Management (Solid Waste)	R 3 603 069	R 4 602 734	R 4 602 734	R 4 460 856	-3%
Total	R 9 406 432	R 13 980 018	R 13 980 018	R 2 956 973	-373%
					T3.6.4

Chapter 3

Free Basic Service Policy Objectives Taken From IDP								
Performance Objectives	Key Performance Indicator	2010/11			2011/12			2012/13
		Target	Actual	Score	Target	Actual	Score	Target
Universal indicators								
Provision of alternative support to low income households that do not receive all Free Basic Services	Low income households (LIHs) who do not receive all the free basic services but <u>do</u> receive alternative support (Total number of LIHs not in receipt of free basic services)	Nr of LIHs receiving support (out of nr of LIHs in total)	Nr of LIHs receiving support (out of nr of LIHs in total)		Nr of LIHs receiving support (out of nr of LIHs in total)	Nr of LIHs receiving support (out of nr of LIHs in total)		Nr of LIHs receiving support (out of nr of LIHs in total)
Indicators from IDP (from 2012/13 only)								
None								
Indicators from IDP (from 2010/11)								
Appropriately manage debt	% of indigent households reached through awareness	95%	96%	3	95%	96.5%	3	95%
Continuously monitor poverty in the area	% changes in indigents captured on database	95%	100%	3	95%	100%	3	95%
Ensure access to free basic services	% households earning less than R1100 per month with access to free basic services (General KPI)	100%	100%	3	100%	100%	3	100%

Chapter 3

COMMENT ON FREE BASIC SERVICES AND INDIGENT SUPPORT:

The following services are subsidised to indigent households:

- 50kWh electricity
- 10kl water
- refuse removal
- sewerage
- property rates to a municipal valuation of R100 000. However, indigent households of which the owner of the household is 65 years of age or older, qualifies for subsidy on the property rates to a municipal valuation of R200 000.

All the new low-cost housing schemes have immediate access to free basic services. Swartland Municipality also assist indigent households situated in areas where Eskom is the service provider for electricity with free basic electricity in terms of a service agreement entered into between Swartland Municipality and Eskom.

Free Basic Services to indigent households have increased from 4619 households as at 30 June 2011 to 4897 households as at 30 June 2012.

COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (storm water drainage).

INTRODUCTION TO ROAD TRANSPORT

The urban road network in Swartland Municipality comprises 77km of gravel roads and 290km of permanently surfaced roads.

Eradicating the backlog in gravel roads is a major focus area and 12km roads were upgraded over the past three financial years. Securing sufficient funding the maintenance of roads remains a challenge and therefore the municipality has taken a strategic decision to increase the spending on infrastructure maintenance.

Ensuring that the roadwork is sufficient for future growth is a further matter of emphasis and to this end the municipality ensures that roads infrastructure master planning is up to date and that regular engagement with provincial and national roads authorities are taking place.

3.7 ROADS

INTRODUCTION TO ROADS

The urban road network in Swartland Municipality comprises 77 km of gravel roads and 290 km of permanently surfaced roads.

Eradicating the backlog in gravel roads is a major focus area and 12 km roads were upgraded over the past three financial years. Securing sufficient funding the maintenance of roads remains a challenge and therefore the municipality has taken a strategic decision to increase the spending on infrastructure maintenance.

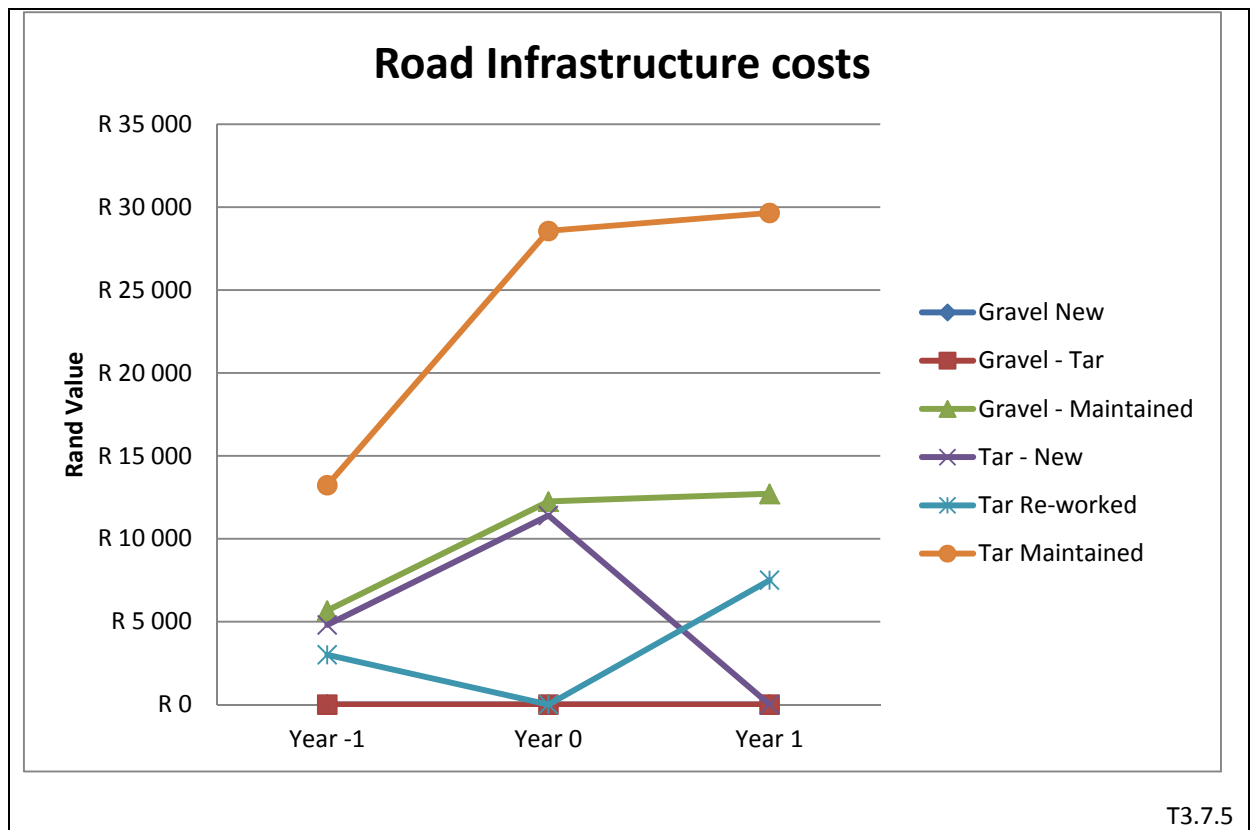
Ensuring that the roadwork is sufficient for future growth is a further matter of emphasis and to this end the municipality ensures that roads infrastructure master planning is up to date and that regular engagement with provincial and national roads authorities are taking place.

Gravel Road Infrastructure				Kilometres
	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar	Gravel roads graded/maintained
Year -1	145	15	10	100
Year 0	160	20	12	120
Year 1	166	25	14	140
				T3.7.2

Chapter 3

Tarred Road Infrastructure					Kilometres
	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
Year -1	85	10	23	18	100
Year 0	98	14	25	15	120
Year 1	114	20	30	25	140
					T3.7.3

Cost of Construction/Maintenance						R' 000
	Gravel			Tar		
	New	Gravel - Tar	Maintained	New	Re-worked	Maintained
Year -1	R 0	R 0	R 5 672	R 4 800	R 3 000	R 13 234
Year 0	R 0	R 0	R 12 245	R 11 400	R 0	R 28 572
Year 1	R 0	R 0	R 12 710	R 0	R 7 500	R 29 656
						T3.7.4



Chapter 3

Roads and Storm Water Policy Objectives Taken From IDP								
Performance Objectives	Key Performance Indicator	2010/11			2011/12			2012/13
		Target	Actual	Score	Target	Actual	Score	Target
Universal indicators								
Elimination of gravel roads in townships	Kilometres of gravel roads tarred (Kilometres of gravel road remaining)	kms gravel roads tarred (kms gravel roads remaining)	kms gravel roads tarred (kms gravel roads remaining)		kms gravel roads tarred (kms gravel roads remaining)	kms gravel roads tarred (kms gravel roads remaining)		kms gravel roads tarred (kms gravel roads remaining)
Development of municipal roads as required	kms of municipal roads developed	kms	kms		kms	kms		kms
Development of fully integrated stormwater management systems including wetlands and natural water courses	Phasing in of systems	Strategy approval (Yes/No); Timescale nr of yrs	Strategy approval (Yes/No); Timescale nr of yrs		Strategy approval (Yes/No); Timescale nr of yrs	Strategy approval (Yes/No); Timescale nr of yrs		Completion (Yes/No); Nr of yrs remaining
Indicators from IDP (from 2012/13 only)								
Ensure access to roads	% proclaimed erven with access to roads				-	-	-	Maintain 100%
Indicators from IDP (from 2010/11)								
Implementation of planned road maintenance activities	% gravel roads inspected in accordance with schedule	90%	95.8%	3	90%	98.4%	3.1	90%
	% of the operating budget allocated for maintenance spent	100%	99.2%	3	95%	98.5%	3	95%
Ensure client orientated service provision	% of new street accesses completed within 10 working days	100%	100%	3	100%	100%	3	100%
	% of flood incidents reacted on within 3 hours after the incident has been reported	100%	100%	3	100%	100%	3	100%
	Number of legitimate written complaints i.r.o. roads and storm water received	4 pm maximum	1 for the year	3	4 pm maximum	1 for the year	3	4 pm maximum
	% of written correspondence i.r.o. roads and storm water attended to within 10 working days	100%	100%	3	100%	100%	3	100%

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Employees: Road Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	40	43	42	1	2%
4 - 6	6	6	5	1	17%
7 - 9	19	19	19	0	0%
10 - 12	4	4	4	0	0%
13 - 15	2	2	2	0	0%
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
Total	71	74	72	2	3%

T3.7.7

Financial Performance Year 1: Road Services					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R 5 517 060	R 5 436 866	R 5 436 866	R 5 740 480	5%
Expenditure:					
Employees	R 10 955 223	R 12 013 340	R 12 013 340	R 12 434 865	3%
Repairs and Maintenance	R 4 242 334	R 4 283 334	R 4 283 334	R 3 930 388	-9%
Other	R 28 632 501	R 30 631 994	R 30 979 121	R 30 216 699	-1%
Total Operational Expenditure	R 43 830 057	R 46 928 668	R 47 275 795	R 46 581 952	-1%
Net Operational Expenditure	R 38 312 997	R 41 491 803	R 41 838 930	R 40 841 471	-2%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

T3.7.8

Capital Expenditure Year 1: Road Services					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 12 582 000	R 17 330 623	R 17 207 146	27%	
CK 33799 Digger Loader Replace	R 1 500 000	R 1 099 150	R 1 099 150	-36%	
CK 274 Digger Loader Replace	R 1 600 000	R 1 495 420	R 1 495 420	-7%	
CK 34833 Tipper Replace	R 580 000	R 479 667	R 479 667	-21%	
Pedestrian Pathways: Darling	R 600 000	R 600 000	R 586 000	-2%	
Roads Swartland: Resealing of Roads	R 7 500 000	R 7 500 000	R 7 497 763	0%	
Construction of tarred Roads Swartland area - tender is expected to be more than budget	R 0	R 3 524 239	R 3 463 000	100%	

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Roads : Main Road 25 Kelder Pad 80/20 R3 100 000 2010/2011 en R830 000 2012/2013	R 0	R 1 700 000	R 1 700 000	100%	
Bakkie Mrb: (A Mentoer) New Bakkie	R 0	R 139 147	R 139 147	100%	
Upgrading of storm water	R 550 000	R 550 000	R 504 000	-9%	
Equipment	R 252 000	R 243 000	R 239 000	-5%	

COMMENT ON THE PERFORMANCE OF ROADS OVERALL:

The major projects were the construction of a pedestrian path way in Darling and the resealing of 8 km of roads in the Swartland area. Both projects were implemented according to the service delivery and budget implementation plan.

The IDP has seven strategic outcomes and the provision of roads is aligned to the following four outcomes:

- Outcome 1: A financially sustainable municipality with well-maintained assets;
- Outcome 2: Satisfied, well informed clients;
- Outcome 4: Access to affordable and reliable infrastructure;
- Outcome 5: Sustainable development of the municipal area (with special emphasis on previously neglected areas).

Various actions have been developed to ensure that the strategic outcomes are achieved. These include the increase on maintenance spending and the implementation of an asset management plan.

3.8 WASTE WATER (STORMWATER DRAINAGE)

INTRODUCTION TO STORMWATER DRAINAGE

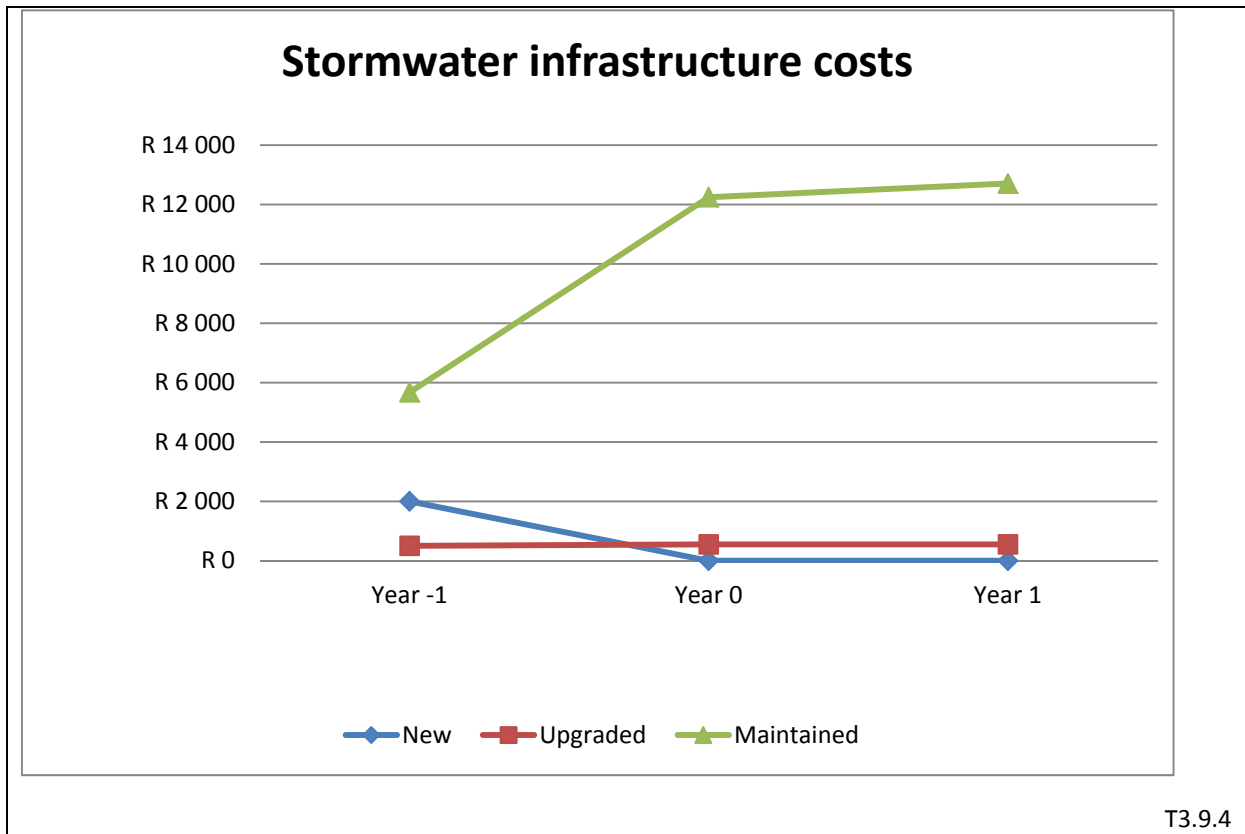
The storm water drainage network in urban areas in the Swartland municipal area comprises a piped system and open drainage channels with a length of approximately 180 km. The drainage system is in a fair condition with some instances of poor conditions. There are still some areas where there are no formal drainage networks and this causes flooding during winter. The upgrading of roads however contributes to the addressing of this backlog as stormwater drainage is installed together with the construction of roads.

The misuse of the storm water system remains a matter of concern. Blockages that cause flooding frequently occur due to foreign matter entering drainage pipes. Maintaining and cleaning the system is an ever increasing expense and effort.

Stormwater Infrastructure				
	Total Stormwater measures	New stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
Year -1	180	2	0	180
Year 0	182	4	0	182
Year 1	186	1	0	186
T3.9.2				

Cost of Construction/Maintenance			
	Stormwater Measures		
	New	Upgraded	Maintained
Year -1	R 2 000	R 500	R 5 671
Year 0	R 0	R 550	R 12 245
Year 1	R 0	R 550	R 12 706
T3.9.3			

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Financial Performance Year 1: Stormwater Services					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue					
Expenditure:					
Employees					
Repairs and Maintenance					
Other					
Total Operational Expenditure					
Net Operational Expenditure					
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

T3.9.7

Chapter 3

Capital Expenditure Year 1: Stormwater Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 550	R 550	R 550	0%	
Upgrading of Stormwater	R 550	R 550	R 550	0%	R 550
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.9.8

COMMENT ON THE PERFORMANCE OF STORMWATER DRAINAGE OVERALL:

The IDP has seven strategic outcomes and the provision of stormwater is aligned to the following four outcomes:

- Outcome 1: A financially sustainable municipality with well-maintained assets;
- Outcome 2: Satisfied, well informed clients;
- Outcome 4: Access to affordable and reliable infrastructure;
- Outcome 5: Sustainable development of the municipal area (with special emphasis on previous neglected areas).

Various actions have been developed to ensure that the strategic outcomes are achieved. These include the increase on maintenance spending and the implementation of an asset management plan.

Only one storm water upgrading project to the value of R550 000 was implemented. The project was implemented in accordance with the service delivery and budget implementation plan.

COMPONENT C: PLANNING AND DEVELOPMENT

This component includes: planning; and local economic development.

INTRODUCTION TO PLANNING AND DEVELOPMENT

This municipality has approved its new Spatial Development Framework in May 2012 . This document sets out broad principles for future developments, as well as where such developments can take place within the demarcated urban edges of all towns and in the rural areas.

This municipality has furthermore also compiled a set of integrated zoning scheme regulations applicable to the total area of Swartland and the municipality awaits final approval from the Provincial Legislature.

These two documents, together with sufficient bulk infrastructure create the opportunities for economic development to take place in order to broaden the development footprint of Swartland. The challenges lies to attract the right development at the right time and place in order to utilise such bulk infrastructure as provided to create value for money.

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3.10 PLANNING

INTRODUCTION TO PLANNING

The main elements of our planning strategies lies in spatial and land use development principles. Both these documents have been completed and can easily be used in evaluating development applications.

All land use development applications whereby the total process is an internal one and whereby no objections have been received within the public participation are finalised within 90 days.

With regards to building control a performance indicator of 30 days has been set to finalise and/or approved building plans. All building plans have been finalised or approved within the said period and the result is electronically measured monthly. The actual result is between 21 -23 days.

The Town Planning Section assists the Building Control Section to such an extent that the town planning comments been sent/make available to drafting / design people much earlier than the official comments on the building plan went out.

Applications for Built Environment						
Detail	Subdivision		Rezoning		Building Plans	
	Year 0	Year 1	Year 0	Year 1	Year 0	Year 1
Planning application received	14	30	22	19	1070	780
Determination made in year of receipt	10	12	9	10	1012	808
Determination made in following year	3	10	11	9	58	30
Applications withdrawn	0	1	0	0	0	0
Applications outstanding at year end	1	7	2	0	58	30
T3.10.2						

Chapter 3

Planning, Valuation and Building Control Policy Objectives Taken From IDP								
Performance Objectives	Key Performance Indicator	2010/11			2011/12			2012/13
		Target	Actual	Score	Target	Actual	Score	Target
Universal indicators								
Determine planning application within a reasonable timescale	Approval or rejection of all build environment applications within a x weeks	Determination within x weeks	Determination within x weeks		Determination within x weeks	Determination within x weeks		Determination within x weeks
	Reduction in planning decisions overturned	Nr of planning decisions overturned	Nr of planning decisions overturned		Nr of planning decisions overturned	Nr of planning decisions overturned		Nr of planning decisions overturned
Indicators from IDP (from 2012/13 only)								
Facilitate developments to ensure that they realise and to address possible causes for delay	% of approved developments implemented				-	-	-	1
Finalise Spatial Development Framework and submit to council for final approval	Document approved				-	-	-	End of June 2012
Communication and awareness throughout the Municipality	Awareness campaign completed				-	-	-	By end of Aug 2012
Establishment of an interdepartmental SDF Co-ordination Committee	Committee established				-	-	-	By end of Aug 2012
Implementation of action plans	Report on implementation according to agreed programme, timeframes and budgets				-	-	-	Quarterly from Oct 2012
Review annually with the revision of the IDP if necessary	SDF reviewed if necessary				-	-	-	End of May annually if necessary
Focussed marketing of Swartland to optimise the potential of existing infrastructure	Meeting with all private developers to discuss marketing of Swartland				-	-	-	July 2012
	Implement most efficient marketing strategy				-	-	-	After July 2012

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Apply conditions of land use approval during implementation of projects	Report on monitoring of the application of conditions				-	-	-	Continuously
	Report on deviations from conditions				-	-	-	Quarterly
Indicators from IDP (from 2010/11)								
Provide an efficient and effective land use management service	% applications processed within 2 weeks	90%	97.5%	3	90%	100%	3	90%
Maintain up-to-date cadastral information	Cadastral maps updated during quarter?	n/a	-	-	Yes	Yes	3	-
Maintain up-to-date zoning information	Zoning maps updated during quarter?	n/a	-	-	Yes	Yes	3	-
Maintain comprehensive development guidelines	Annual review of development guidelines completed by end of March	Yes	Yes	3	Yes	Yes	3	Yes
Ensure implementation of the Spatial Development Framework	Compilation of Spatial Development Framework for Swartland Municipal Area completed by end of August 2011?	Yes	Yes	3	Yes	Yes	3	-
Promote equal access by allocating a percentage of appropriate developments to social and/or affordable housing	% of housing units developed as social/affordable housing	n/a	-	-	10% for the year	10% for the year	3	-
Ensure that private developments assist in cross subsidising the development of low income housing	% adherence to progress schedules	n/a	-	-	100%	N/a	-	-
Ensure that properties are valued correctly	Number of supplementary valuation role updates implemented	1	1	3	1	1	3	-
	Supplementary valuation role updated bi-annually by Dec and Jun?	n/a	-	-	-	-	-	Yes
Optimise the costing structures for the building control service	Cost structure of building plans reviewed by end of November	Yes	Yes	3	Yes	Yes	3	Yes
Undertake site inspections within set timeframes	% of requested site inspections undertaken within 14 days	90%	100%	3	90%	100%	3	100%
Capture all building plan information	% building plan applications updated and transferred to system (monthly)	n/a	-	-	95%	100%	3.5	-
Ensure proper monitoring of the Client Service Charter	% building plans for which acknowledgement of receipt were issued within 48 hours, or immediately after capture by an SMS system	100%	100%	3	100%	100%	3	100%

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	% building plans finalised within 30 calendar days or for which feedback is provided if not finalised	90%	99.10%	3	100%	100%	3	100%
	% of land use applications for which acknowledgement of receipt were issued within 48 hours, or immediately after capture by an SMS system	100%	100%	3	100%	100%	3	100%
	% of land use applications for which feedback is provided within 30 working days and the enquiry is attended to within 90 working days.	100%	100%	3	100%	100%	3	100%
Establish good relationships with planning and building related consultants	Annual capacity building meeting with planning and building related consultants held?	Yes	Yes	3	Yes	Yes	3	Yes

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Employees: Planning Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	-
4 - 6	1	1	1	0	0%
7 - 9	1	1	1	0	0%
10 - 12	3	3	3	0	0%
13 - 15	4	4	4	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	-
Total	10	10	10	0	0%

T3.10.4

Financial Performance Year 1: Planning Services					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R 1 993 004	R 1 127 438	R 1 127 438	R 1 538 008	27%
Expenditure:					
Employees	R 4 785 409	R 5 381 160	R 5 381 160	R 5 250 390	-2%
Repairs and Maintenance	R 10 222	R 4 663	R 4 663	R 5 630	17%
Other	R 2 815 800	R 2 631 014	R 3 531 014	R 3 634 773	28%
Total Operational Expenditure	R 7 611 431	R 8 016 837	R 8 916 837	R 8 890 793	10%
Net Operational Expenditure	R 5 618 427	R 6 889 399	R 7 789 399	R 7 352 785	6%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.10.5

3.11 LOCAL ECONOMIC DEVELOPMENT (INCLUDING TOURISM AND MARKET PLACES)

INTRODUCTION TO ECONOMIC DEVELOPMENT

Swartland Municipality is committed to maximise its contribution to LED and job creation by -

- fully participating in the expanded public works programme (EPWP)
- using labour intensive methods wherever possible
- putting an obligation on service providers to use labour intensive approaches
- supporting labour intensive LED projects
- supporting the interns programme (this has already led to a number of permanent appointments)
- creating an enabling environment for investments and other activities that will lead to job creation
- timely delivery in spending on our capital programme
- effective revenue management
- sufficient provision for repairs and maintenance
- having more supply chain open days with a focus on small, medium and micro enterprises (SMME's)
- monitoring red tape issues through the Municipality's performance management system
- a bigger focus on the informal economy, the social economy and a decent work
- facilitating the use of the Jobs Fund
- interacting with the Provincial Government regarding new scheme regulations that will reduce red tape
- evaluating the appropriateness of our current approach to LED versus the establishment of a more focussed LED unit (affordability / financing?)

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- fully supporting the Western Cape as well as the West Coast Economic Development Partnership (EDP)
- shifting paradigms with respect to -
 - economy and tourism boundaries
 - optimum IT efficiency (telecoms)
 - green economy / renewable energy
- looking at possible benefits from the Atlantis corridor.

Economic Employment by Sector			
Sector	Year -1	Year 0	Jobs 2007
	No.	No.	%
Wholesale and retail trade			11.2%
Unspecified			4.3%
Transport; storage and communication			1.8%
Other and not adequately defined			9.1%
Mining and quarrying			0.0%
Manufacturing			16.7%
Financial; insurance; real estate and business services			11.5%
Electricity; gas and water supply			1.0%
Construction			7.5%
Community; social and personal services			9.7%
Agriculture; hunting; forestry and fishing			27.1%
Total	0.00%	0.00%	99.90%
			T3.11.3

Jobs Created during Year 1 by LED Initiatives (Excluding EPWP projects)				
Total Jobs created / Top 3 initiatives	Jobs created	Jobs lost/displaced by other initiatives	Net total jobs created in year	Method of validating jobs created/lost
	No.	No.	No.	
Total (all initiatives)				
Year -1				
Year 0				
Dec-11			101	
Initiative A (Year 1)				
Initiative B (Year 1)				
Initiative C (Year 1)				
				T3.11.5

Job creation through EPWP* projects		
Details	EPWP Projects	Jobs created through EPWP projects
	No.	No.
Year -1	0	0
Year 0	27	279
Year 1	20	327
* - Extended Public Works Programme		T3.11.6

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Local Economic Development Policy Objectives Taken From IDP								
Performance Objectives	Key Performance Indicator	2010/11			2011/12			2012/13
		Target	Actual	Score	Target	Actual	Score	Target
Universal indicators								
Training of people in essential skills: x, y, z	Number of people trained (including retrained upskilled)	Nr of people trained	Nr of people trained		Nr of people trained	Nr of people trained		Nr of people trained
Indicators from IDP (from 2012/13 only)								
Complete LED strategy and action plan and submit to Council for approval	Draft document approved				-	-	-	End of Nov 2012
Indicators from IDP (from 2010/11)								
Promote local economic development through liaison with business role-players	Annual event with local business held before end of June?	Yes	Yes	3	Yes	Yes	3	Yes
Promote and facilitate the creation of jobs	% of the LED funds actually spent	90%	75.4%	2.5	90%	96.5%	3	90%
Facilitate the creation of jobs through the municipality's LED initiatives (General KPI)	Number of jobs created through Municipality's capital projects (contracts > R200 000)	100 for the year	208 for the year	3	100	101	3	100

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COMMENT ON LOCAL ECONOMIC DEVELOPMENT PERFORMANCE OVERALL:

Four largest capital projects for 2011/2012:

Capital project	Budget for 2011/2012	Amount spent	% of budget spent
Waste water treatment works Malmesbury	R52 354 108	R51 265 448	97.9%
Electricity networks: New infrastructure	R8 500 000	R8 109 267	95.4%
Resealing of roads Swartland	R7 500 000	R7 497 763	99.9%
Sewerage Abbotsdale - Extension of pipelines	R3 087 461	R2 651 992	85.9%

The performance target for all capital projects is between 95% and 105%. The target with respect to the first three projects was reached. The Abbotsdale Sewerage project was also fully completed but at a lower cost than was budgeted for.

COMPONENT D: COMMUNITY & SOCIAL SERVICES

This component includes: libraries and archives; museums arts and galleries; community halls; cemeteries and crematoria; child care; aged care; social programmes, theatres.

INTRODUCTION TO COMMUNITY AND SOCIAL SERVICES

3.52 LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

INTRODUCTION TO LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES

Swartland has eight libraries in its area. Three libraries, i.e. those located in Malmesbury, Wesbank and Moorreesburg operate from Monday to Saturday whereas libraries in Riebeek West, Darling South and Darling North are open from Monday to Friday. Libraries at Chatsworth and Riebeek Kasteel are open 80 and 72 hours per month respectively. 15 Library workers are on contract and financed by the conditional grant from the Department of Cultural Affairs and Sport.

Museums are operated by the Provincial Government

SERVICE STATISTICS FOR LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC)

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Libraries; Archives; Museums; Galleries and Community Facilities Policy Objectives Taken From IDP								
Performance Objectives	Key Performance Indicator	2010/11			2011/12			2012/13
		Target	Actual	Score	Target	Actual	Score	Target
Universal indicators								
None								
Indicators from IDP (from 2012/13 only)								
None								
Indicators from IDP (from 2010/11)								
Render a quality library service	Number of months during which libraries were fully operational	12	12	3	12	12	3	-
	Number of written complaints from users	1 pm maximum	1 for the year	3	1 pm maximum	1 for the year	3	1 pm maximum
	Monthly circulation figures	35 000 pm	41 951 pm average	3	35 000 pm	39 461 pm average	3.1	40 000 pm
Properly manage libraries	Number of monthly status reports submitted during year	12	12	3	12	12	3	-
	Monthly status reports submitted?	n/a	-	-	-	-	-	Yes
Protect library material through consumer training	Number of annual consumer training programmes	14 (2 per library) for the year	26 cumulative (minimum 2 per library)	3	16 (2 per library) for the year	25 cumulative for 8 libraries	4	16 (2 per library) for the year
Improve IT access for libraries	% of libraries SLIMS-equipped	70%	50%	3	70%	88%	3.8	100%
	% of libraries internet-equipped	70%	50%	3	70%	88%	3.8	100%
Ensure the Local Tourism Organisation (LTO) complies with the Service Level Agreement	Number of quarterly reports submitted by LTO	4	4	3	4	3	3	-
	Quarterly reports submitted by LTO?	n/a	-	-	-	-	-	Yes
	Annual financial statements submitted?	Yes	Yes	3	Yes	N/a	-	Yes
	Annual Report by Chairperson submitted by September?	Yes	Yes	3	Yes	Yes	3	Yes
Manage caravan parks effectively	% of the operating budget for maintenance of caravan parks spent	100%	91.3%	3	100%	99.3%	3	100%
	% of the capital budget for caravan parks spent	100%	n/a	-	100%	N/a	-	100%

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	Number of double bookings	5 maximum for the year	0	3	5 maximum for the year	0	3	-
	Number of written complaints regarding poor infrastructure / administration	5 pm maximum	3 for the year	3	5 pm maximum	1 for the year	3	5 pm maximum
	Annual customer survey undertaken during December?	Yes	Yes	3	Yes	Yes	3	Yes
	% "good" and "fair" ratings out of the total ratings done by guests	75%	81.5%	3	75% minimum	96.4%	3.5	75% minimum
Optimise internet access to the facility	Days per month that online booking was available	30	n/a	-	30	N/a	-	-
	Online booking system established in collaboration with IT by Dec 2012?	n/a	-	-	-	-	-	Yes
Provide a safe harbour facility	Number of accidents on slipway due to poor control	0 maximum	0	3	0 maximum	0	3	0 maximum
Provide a quality and legally compliant market facility	Number of legal action taken against the SM due to the failure to implement by-law	0 maximum	0	3	0 maximum	0	3	0 maximum

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Employees: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Job Level	Year 0	Year 1			
	Employee s	Posts	Employee s	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	16	17	17	0	0%
4 - 6	24	24	24	0	0%
7 - 9	10	10	10	0	0%
10 - 12	7	7	7	0	0%
13 - 15	2	2	2	0	0%
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
Total	59	60	60	0	0%

T3.52.4

Financial Performance Year 1: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R 1 364 053	R 1 318 590	R 4 663 720	R 4 654 397	72%
Expenditure:					
Employees	R 7 083 381	R 7 878 140	R 7 878 140	R 7 774 094	-1%
Repairs and Maintenance	R 165 393	R 198 473	R 198 473	R 150 170	-32%
Other	R 1 109 108	R 1 433 340	R 1 570 471	R 1 658 495	14%
Total Operational Expenditure	R 8 357 882	R 9 509 953	R 9 647 084	R 9 582 759	1%
Net Operational Expenditure	R 6 993 829	R 8 191 363	R 4 983 364	R 4 928 362	-66%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					

T3.52.5

Capital Expenditure Year 1: Libraries; Archives; Museums; Galleries; Community Facilities; Other					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 166	R 191	R 237	30%	
Small farmers agriculture: Implementation	R 0	R 25	R 19	100%	
Equipment: Development Services	R 66	R 66	R 47	-40%	
Libraries: Airconditioners	R 0	R 0	R 111	100%	
Equipment Corporate: Buildings & Swartland Halls	R 100	R 100	R 60	-67%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					

T3.52.6

Chapter 3

COMMENT ON THE PERFORMANCE OF LIBRARIES; ARCHIVES; MUSEUMS; GALLERIES; COMMUNITY FACILITIES; OTHER (THEATRES, ZOOS, ETC) OVERALL:

Five of the eight libraries have free internet access available to the public through the ICT project funded by the Department of Cultural Affairs and Sport. Riebeek Kasteel library is in the process of installing computers for the ICT project. Capital projects were undertaken at three libraries which received new air conditioners during this year. Another capital project is planned for Chatsworth library to erect fencing around the building and provide toilet facilities. The average monthly circulation of books between the libraries are 45 000.

3.55 CEMETERIES AND CREMATORIUMS

INTRODUCTION TO CEMETERIES & CREMATORIUMS

Swartland Municipality operates and maintains ten cemeteries. The services provided include the timely and correct preparation of graves for use, maintaining a register of graves and the maintenance of cemeteries to an acceptable level of tidiness. EPWP projects were also implemented for the maintenance of cemeteries. Vandalism of cemeteries and the theft of fences remains a problem throughout the Swartland and the Municipality do not have the resources to effectively deal with this problem.

SERVICE STATISTICS FOR CEMETERIES & CREMATORIUMS

Employees: Cemeteries and Crematoriums					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	-
4 - 6	0	0	0	0	-
7 - 9	0	0	0	0	-
10 - 12	0	0	0	0	-
13 - 15	0	0	0	0	-
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
Total	0	0	0	0	-

T3.55.4

Financial Performance Year 1: Cemeteries and Crematoriums					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R 383 997	R 377 200	R 377 200	R 404 366	7%
Expenditure:					
Employees	R 96 544	R 131 980	R 131 980	R 114 095	-16%
Repairs and Maintenance	R 37 177	R 84 000	R 84 000	R 75 054	-12%
Other	R 193 147	R 274 817	R 274 817	R 183 739	-50%
Total Operational Expenditure	R 326 868	R 490 797	R 490 797	R 372 887	-32%
Net Operational Expenditure	-R 57 130	R 113 597	R 113 597	-R 31 479	461%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.55.5

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Capital Expenditure Year 1: Cemeteries and Crematoriums					R' 000
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 0	R 0	R 0		
Project A					
Project B					
Project C					
Project D					
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).</i>					T3.55.6

COMMENT ON THE PERFORMANCE OF CEMETERIES & CREMATORIALS OVERALL:

There were no capital projects in so far as cemeteries are concerned. It must be noted however that the Municipality is in the process of developing three new cemeteries.

The IDP has seven strategic outcomes and the provision of cemeteries is aligned to the following three outcomes:

- Outcome 2: Satisfied, well informed clients;
- Outcome 4: Access to affordable and reliable infrastructure;
- Outcome 5: Sustainable development of the municipal area (with special emphasis on previously neglected areas).

3.56 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

INTRODUCTION TO CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

1.1 Early Childhood Development:

The Early Childhood Development forum (ECD forum) continued to share information with Early Childhood Development (ECD) organisations. The partnership with Centre for Early Childhood Development (CECD) continued and governing bodies of ECDS were trained. A total of thirteen capacity building sessions for ECDs were presented in 2011-2012. Swartland Municipality provided support with logistics, ensured the ECDs are informed about the training opportunities and assisted with monitoring and evaluation. The impact is that co-operation in the ECD sector is strengthened, although the impact is not yet fully measured. Outcomes were that ECD organisations worked together to organise events and fundraisers. Good progress was made with upgrading of an ECD centre in Chatsworth in partnership with Afrimat and CECD.

A Child Development Forum on which the ECD forum is represented, had nine meetings and had a successful workshop on the problem of school drop outs. The weakness in the forum was the need for a stronger partnership with the Department of Social Development. In order to accommodate other social issues other than child issues the name of the forum changed to the Swartland Social Development Forum.

Building plans were completed for building an Enrichment Centre (a community facility and ECD) in Kalbaskraal.

1.2 Thusong centre programme

The community development division manages the Thusong Service Centre programme. Swartland Municipality decided to make permanent posts available for the Centre Manager and Administrative assistant. This allowed the division to do future planning for expanding the services and to recruit competent staff that can ensure service delivery to all areas in the Swartland. Department of Social Development is the only permanent tenant of the Thusong Service Centre. The centre also has regular visits by the Department of

Chapter 3

Labour, SASSA and SAPS. On an average 418 people are visited monthly. The Department of Local Government gave R500 000 for the upgrading of the Ilinge Lethu Thusong Service Centre, but the draftsmen from Department of Human Settlement did not manage to draw up the plans in time due to other more urgent commitments. Therefore the funds were not spent in the year 2011-2012.

1.3 Youth development

Successful engagements were held with youth to determine needs all over Swartland. Last of the post boxes in rural areas were installed to make the youth development service accessible to rural youth, who do not have access to community centres. A total of 2909 youth were assisted to access into the economy by means of CV writing, job applications. A total of 148 youth were assisted to enter training opportunities. The municipality decided to make the vacant Community Development Officer (youth focus) a permanent position, but the appointment did not happen in this financial year. A temporary worker was appointed for six month of 2011 - 2012 and the administrator made sure the service continued. Despite the staff shortage and changes various youth engagements were organised with partners, e.g. the National Youth Development Agency and various NGOs. Thirteen holiday programmes were co-ordinated by Swartland Municipality and partially funded in June 2012 in collaboration with partners in ten towns and three rural areas.

1.4 Economic development

Developing commonage for small farmers has been a priority in terms of promoting economic development for Swartland Municipality. Discussions with the Department of Rural Development and Land Reform reached a deadlock after the Municipality were approached by DRDLR to take Leliebloem as commonage. Swartland accepted this offer, but the transfer never happened despite various documents submitted as requested. This delay led to Department of Agriculture spending the 2.4 million for infrastructure development of the project elsewhere. Training sessions for small farmers were organised by the municipality in collaboration with the Department of Agriculture in pig farming, leadership, conflict management and vegetable production.

A partnership was formed with service providers to present entrepreneurial courses in Swartland. The course in Malmesbury already commenced in 2011-2012.

1.5 Support to NGOs

A total of R240 000 were budgeted for subsidies to Non-Governmental Organisations who deliver key services in terms of managing child facilities and looking to the needs of the vulnerable. Subsidies were not paid out to two organisations because they could not produce satisfactory financial statements. The organisations that were supported were: Elkana Childcare (street children's project), Jo Dolphin (Day care for disabled children), Swartland Haven Nightshelter (care for the homeless), Die Kraaltjie (community centre), Huis van Heerde Children's Home (residential child care), Ons Kan (Training project for women affiliated Huis van Heerde).

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Child Care; Aged Care; Social Programmes Policy Objectives Taken From IDP								
Performance Objectives	Key Performance Indicator	2010/11			2011/12			2012/13
		Target	Actual	Score	Target	Actual	Score	Target
Universal indicators								
None								
Indicators from IDP (from 2012/13 only)								
Finalise Social Development Strategy and submit to council for final approval	Document approved				-	-	-	By Oct 2012
Establishment of an interdepartmental Social Development Co-ordination Committee	Committee established				-	-	-	By Oct 2012
Give effect to the focus areas in the Social Development Strategy	Report on activities under the following focus areas: - Child facilities and child development - Youth development - Social development co-ordination - Local economic development - Lobbying for the vulnerable				-	-	-	Quarterly
Establish a meaningful and sustained working arrangement or partnership between the Municipality and the NGO sector	Working arrangement/ partnership formalised and documented				-	-	-	By July 2013
Indicators from IDP (from 2010/11)								
Promote the development of child facilities	Number of capacity building sessions with ECD organisations in the Swartland	4 pa	12 for the year	3.5	8 pa	13 for the year	3.5	10 pa
	Number of meetings with Child Development Forum	8 pa	6 for the year	3	4 pa	9 for the year	3.5	4 pa
Promote the capacity of young adults (with special emphasis on towns with low development potential)	Number of youths from the whole Swartland community assisted to access economy (focus on agriculture and protection services)	2000 pa	2475 for the year	3.5	2000 pa	2909 for the year	3.5	2500 pa
	Number of youths from the whole Swartland community assisted to enter training opportunities	120 pa	132 for the year	3	200 pa	148 for the year	2.5	200 pa

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Promote access to the government services	Number of people reached through government services at the Illinge Lethu Thusong centre	350 pm	330 pm average	3	250 pm	418 pm average	3.25	300 pm
Promote quality of life through life skills development	Number of life skills programmes per month	At least 3 pm average	2.9 pm average	3	At least 2 pm	4.25 pm average	3.25	At least 3 pm
Support business development through skills development (with special emphasis on towns with low development potential)	Number of training workshop held	2 pa	2 for the year	3	2 pa	2 for the year	3	2 pa
Support upcoming farmers	Number of meetings of municipal officials with agricultural forums	15 pa	20 for the year	3.5	10 pa	16 for the year	3	10 pa
	Number of training sessions per year	4 pa	4 for the year	3	4 pa	4 for the year	3	4 pa
Support the effective management of food security in the region	Number of beneficiaries from community nutrition centres linked to development programmes (2010/11)	500 pa	696 for the year	3	-	-	-	-
	Number of development programmes implemented at each community nutrition centre	n/a	-	-	10 pa	10 for the year	3	-
Effective co-ordination of social development	Home gardens established in collaboration with Dept of Agriculture in 5 towns of the Swartland Area by end of June?	n/a	-	-	-	-	-	Yes
	Annual progress reports from organisations benefiting from the Municipality submitted in January? Yes or No	n/a	-	-	Yes	Yes	3	-
	Bi-annual progress reports from organisations benefiting from the Municipality submitted in August and February? (2010/11)	Yes	Yes	3	n/a	-	-	-
	Number of areas made available for youth advisory services per quarter	3 pq	3.3 pq average	3	12 pa	12 for the year	3	-
	A marketing event at each of the areas served by the YAC post boxes?	n/a	-	-	-	-	-	Yes

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Employees: Child Care; Aged Care; Social Programmes					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	1	1	0	0%
4 - 6	0	1	1	0	0%
7 - 9	0	0	0	0	-
10 - 12	2	2	2	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
Total	4	5	5	0	0%

Financial Performance Year 1: Child Care; Aged Care; Social Programmes					
Details	Year 0 (2010-2011)	Year 1 (2011-2012)			
	Actual	Original Budget	Adjustment Budget	Actual	Committed
Total Operational Revenue	R 0	R 137 130	R 137 130	R 137 130	R 0
Expenditure:					
Employees	R 1 268 469	R 1 306 740	R 1 306 740	R 1 304 088	R 0
Repairs and Maintenance	R 2 786	R 7 330	R 7 330	R 0	R 0
Other	R 283 920	R 520 358	R 520 358	R 523 396	R 16 998
Total Operational Expenditure	R 1 555 175	R 2 114 428	R 2 114 428	R 1 827 484	R 16 998
Net Operational Expenditure	-R 1 555 175	-R 1 977 298	-R 1 977 298	-R 1 690 353	
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					

Capital Expenditure Year 1: Child Care; Aged Care; Social Programmes					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 500 000	R 1 080 000	R 631 968	21%	
ECD Facilities	R 500 000	R 580 000	R 631 968	21%	R 0
Thusong Centre	R 0	R 500 000	R 0		R 0
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.56.6

Chapter 3

COMMENT ON THE PERFORMANCE OF CHILD CARE; AGED CARE; SOCIAL PROGRAMMES OVERALL:

The permanent appointments in the Community Development division for Administrative Officer (Centre Manager) Administrative Assistant, Community Development Officer (youth focus) will bring the necessary capacity into the programmes to ensure services are accessible to all in Swartland. In 2011-2012 services were consolidated at the Ilinge Lethu Service Centre, but with the new appointments progress is needed to make programmes accessible for all.

Further focus will be put to strengthen co-ordinating structures for example the ECD forum as well as the Swartland Social Development Forum but also the Swartland Small Farmers' Forum. Contracts must be finalised with organisations in Darling Moorreesburg and Riebeek Valley to assist with bringing services closer to the people.

The impact of programmes in terms the main priorities has to be measured.

Swartland has to reconsider its role in terms of agriculture development, after applications for commonage to DRDLR did not achieve the expected outcome.

Addressing poverty: Swartland uses the approach of bringing opportunities for development closer to the poor communities. By forming strong partnerships with service organisations, services are made more accessible to poor communities and efficient in dealing with their problems..

Priority of capital projects and variances: The planning of the Kalbaskraal Enrichment Centre were prioritised after a survey was done to determine the most preschool children and by considering various factors that could determine priority. Funds were utilised to purchase land and to pay the architect for the plans. There was a variance of 21%, because an ideal site had to be purchased. The site originally identified was not adequate to accommodate the requirements of the Children's Act 37 of 2005.

Five year target: Swartland Municipality will continue to establish the Enrichment Centre in Kalbaskraal. Funding needs to still be sourced. Planning of centres will be budgeted for, but external funding needs to be sourced.

The completion of the Social Development Strategy will give guidance to operational targets in the IDP over the next five years.

COMPONENT E: ENVIRONMENTAL PROTECTION

This component includes: pollution control; biodiversity and landscape; and costal protection.

INTRODUCTION TO ENVIRONMENTAL PROTECTION

Environmental protection involves the following:

- Maintenance of acceptable health standards.
- Create and manage a clean/healthy environment for the community of the Swartland Municipal area.
- Secure that water quality is on a acceptable level set by SANS 241
- Issuing of trading licenses in term of the Business Act
- Vector management
- Air Pollution – dust – odour control
- Pauper burials
- Apply relevant Municipal by-laws

3.59 POLLUTION CONTROL

INTRODUCTION TO POLLUTION CONTROL

Air Quality

The National Environmental Management: Air Quality Act 39 of 2004 (AQA) requires municipalities to introduce Air Quality Management Plans (AQMP) that set out what will be done to achieve the prescribed air quality standards. Municipalities are required to include an AQMP as part of its Integrated Development Plan.

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Swartland Municipality's AQMP was approved by Council and forms part of the IDP, as well as that of the West Coast District Municipality.

Dust and odour control form part of the AQMP.

A public participation process took place to inform all people in the Swartland municipal area about the plan.

A Database of Fuel burning processes has been established.

Water Quality

Drinking water are sampled on a monthly basis in the Swartland Municipal area (randomly) to secure that the water quality are on a acceptable level set by (SANS) 241 South Africa National Standards.

When a sample deviates from the standard – a follow up sample will be taken.

Promote a clean and healthy environment

To address all health complaints and applying the By-Law relating to the prevention and suppression of Nuisances – and ensure that all identified erven in urban areas are complaint.

Pest control – only on municipal premises as well as a Annual Pest Control programme where we deal with crawling insects as well as rodents in the municipal sewerage / storm water drain system.

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Pollution Control Policy Objectives Taken From IDP								
Performance Objectives	Key Performance Indicator	2010/11			2011/12			2012/13
		Target	Actual	Score	Target	Actual	Score	Target
Universal indicators								
Water and air purity	Water: x% of all readings taken throughout the year on at least weekly to be found acceptable (clean) by National Standards	% clean	% clean		% clean	% clean		% clean
	Air: x% of all readings taken throughout the year on at least weekly to be found acceptable by National standard	% clean	% clean		% clean	% clean		% clean
Indicators from IDP (from 2012/13 only)								
Monitor environmental health	Approval by Council of Air Quality Management Plan				-	-	-	By Jul 2012
	Report on water, noise and air pollution monitoring				-	-	-	Monthly
Enforce relevant municipal legislation	Create effective mechanisms for law enforcement				-	-	-	By July 2013
Indicators from IDP (from 2010/11)								
Keep the water quality on an acceptable level	Average no of water samples taken	5 pm	5 pm average	3	5 pm	5.5 pm average	3	6 pm
	% deviation from water standard followed up	100%	100%	3	100%	100%	3	100%
Properly address all health complaints	% of relevant complaints addressed within 2 weeks	90%	100%	3	90%	100%	3	100%
Ensure that all identified erven in urban areas are compliant with standards	% of identified erven cleaned up within 3 months after final inspection (28 Feb)	80% for the year	100% for the year	3	80% for the year	100%	3	-
	% of identified erven cleaned up during financial year?	n/a	-	-	-	-	-	100%
Monitor air pollution in the area	Database of fuel burning processes updated by end of March?	Yes	Yes	3	Yes	Yes	3	Yes
	Implementation of Air Quality Management Plan by end of June? Yes or No	n/a	-	-	Yes	Yes	3	-
	Implementation of Air Quality	Yes	No	3	n/a	-	-	-

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	Management Plan by end of December? (2010/11)							
Provide an effective pest control service	% requests for pest control responded to within 14 days	1	1	3	1	1	3	1
	Annual pest control programme completed by end of March?	Yes	Yes	3	Yes	Yes	3	Yes

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COMMENT ON THE PERFORMANCE OF POLLUTION CONTROL OVERALL:

Measures taken to improve performance and achievements: Performance objectives – key performance indicators and targets are set. Monthly monitoring is done by the Strategic Manager.

Support is given to those communities that are living in poverty through:

- Ensuring safe drinking water
- Properly address all health complaints
- Ensuring that all identified erven in urban areas are complaint with standards
- Monitoring air pollution in the area
- Annually pest control programme.

3.60 BIO-DIVERSITY; LANDSCAPE (INCL. OPEN SPACES); AND OTHER (E.G. COASTAL PROTECTION)

Chapter 3

Bio-Diversity; Landscape and Other Policy Objectives Taken From IDP								
Performance Objectives	Key Performance Indicator	2010/11			2011/12			2012/13
		Target	Actual	Score	Target	Actual	Score	Target
Universal indicators								
None								
Indicators from IDP (from 2012/13 only)								
Climate change awareness / strategy / initiatives for Swartland	Formulate strategy / initiatives and implement				-	-	-	By June 2013
	Awareness sessions with all departments				-	-	-	August 2013
	Ensure the co-operation / involvement of other role-players				-	-	-	Continuously
Effectively manage scarce natural resources	Evaluate projects for alternative renewable energy use and report				-	-	-	Quarterly from July 2012
Indicators from IDP (from 2010/11)								
None								

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Occupational and Environmental Health, and Non Related Environmental Health Policy Objectives Taken From IDP								
Performance Objectives	Key Performance Indicator	2010/11			2011/12			2012/13
		Target	Actual	Score	Target	Actual	Score	Target
Universal indicators								
None								
Indicators from IDP (from 2012/13 only)								
None								
Indicators from IDP (from 2010/11)								
Ensure that all the required safety representatives are in place	Number of appointed and elected safety rep's in place on continuous basis	12	15	3	12	15	3	15
Reduce injuries on duty	Number of injuries on duty	5 pm maximum	4.4 pm average	3	5 pm maximum	4.75 pm average	3	5 pm maximum
Ensure the effective administration of claims	% claims submitted within 14 days from final report from doctor	100%	100%	3	100%	100%	3	100%
Ensure that health and safety committees are functional	Number of meetings held	4	4	3	4	4	3	-
	Quarterly meetings of Health and safety committees held?	n/a	-	-	-	-	-	Yes
Effectively manage all injuries	% of job-related injuries per month referred to Compensation Commissioner	100%	100%	3	100%	100%	3	100%
Ensure that all capital projects comply with safety regulations	% of projects with safety specifications	100%	100%	3	100%	100%	3	100%

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Employees: Occupational and Environmental Health, and Non Related Environmental Health					
Job Level	Year 0	Year 1			
	Employee s	Posts	Employee s	Vacancies (fulltime equivalents)	Vacancie s (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	-
4 - 6	0	0	0	0	-
7 - 9	0	0	0	0	-
10 - 12	1	1	1	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
Total	2	2	2	0	0%

T3.64.4

Financial Performance Year 1: Health Inspection, Etc					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R 0	R 0	R 0	R 0	-
Expenditure:					
Employees	R 695 752	R 677 780	R 677 780	R 700 916	3%
Repairs and Maintenance	R 0	R 600	R 600	R 0	-
Other	R 48 363	R 78 903	R 78 903	R 44 271	-78%
Total Operational Expenditure	R 744 114	R 757 283	R 757 283	R 745 187	-2%
Net Operational Expenditure	R 744 114	R 757 283	R 757 283	R 745 187	-2%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

T3.64.5

Capital Expenditure Year 1: Health Inspection, Etc					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 0	R 0	R 0	-	
Project A				-	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

T3.64.6

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COMPONENT G: SECURITY AND SAFETY

This component includes: municipal police; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

INTRODUCTION TO SECURITY AND SAFETY

The Swartland Municipal Police (SMPS) was established in 2002 in terms of Section 64 of the South African Police Service Act to proactively ensure the safety of the community.

The core functions of this Service are:

- (a) traffic policing, subject to any legislation relating to road traffic;
- (b) the policing of municipal by-laws and regulations which are the responsibility of the municipality; and
- (c) the prevention of crime.

3.65 POLICE

INTRODUCTION TO POLICE

The SMPS core functions are to reduce crime within the Swartland, proactively police the Municipal by laws and to enforce the National Road Traffic Act and to reduce road accident fatalities within the Swartland . During the financial year 2011/2012 the Swartland Municipal Police contributed in all three law enforcement disciplines. Performance within the SMPS is subject to resources which includes human resources and vehicles. The Swartland Municipality is divided into 12 wards and the SMPS service all these wards. Social Crime prevention programs and campaigns' were given at schools and awareness to non-governmental organisations. Domestic violence campaigns' and child safety campaigns were also held in disadvantaged communities.

Metropolitan Police Service Data					
	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Estimate No.
1	Number of road traffic accidents during the year	1 260	1 300	1 342	1 252
2	Number of by-law infringements attended	413	450	853	1 568
3	Number of police officers in the field on an average day	21	21	22	13
4	Number of police officers on duty on an average day	24	25	25	16
					T3.65.2

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Traffic Policing and By-law enforcement Policy Objectives Taken From IDP								
Performance Objectives	Key Performance Indicator	2010/11			2011/12			2012/13
		Target	Actual	Score	Target	Actual	Score	Target
Universal indicators								
Reduction in road accidents	x% reduction in road accidents over the target for the previous year	% reduction in 2009/10	% reduction in 2009/10		% reduction in 2010/11	% reduction in 2010/11		% reduction in 2012/13
Indicators from IDP (from 2012/13 only)								
Investigate financial sustainability of the SMPS	Submit report regarding the implementation of Phase 1 (1 Jan 2012 - 30 June 2012) to the Mayoral Committee				-	-	-	Yes
	Implementation of Phase 2 - (1) division of functions if possible (2) Rendering of a 12 hour service				-	-	-	With effect from 1 July 2012
	Final decision re SMPS				-	-	-	By December 2012
Effectively address the underfunded mandates regarding driver and vehicle licensing	Implementation				-	-	-	From 1 April 2012
Bi-annual interaction with public prosecutors in respect of withdrawal of traffic fines and court sentences	Bi-annual interaction held				-	-	-	By Dec and June
Establish specialised unit for law enforcement (linked to outcome of restructuring)	Unit established				-	-	-	1 July 2013
Regular interaction with SAPS	- Meetings on local level - Meetings on Provincial level - Meetings on National level				-	-	-	Weekly Monthly Quarterly
Investigate partnerships to monitor illegal structures	Investigation completed				-	-	-	End of Oct 2012
Review current by-laws applicable to traffic policing and law enforcement and update where necessary	By-laws reviewed				-	-	-	Before end of June 2013
Law enforcement / traffic awareness campaigns	- with schools, businesses and NGO's - with media - through specialised visible operations				-	-	-	Monthly Weekly Monthly

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Indicators from IDP (from 2010/11)								
Comply with strategic objective matrix targets	Monthly Objective Matrix target (%)	80%	76.40%	2.9	80%	74.8% average	2.85	80%
Provide an effective crime prevention and patrolling service	% of total hours worked per month for crime prevention, traffic and by-law enforcement	14%	41.25%	3	40%	36.6% average	2.8	40%
	% of productive hours worked (road blocks)	14%	15.30%	3	14%	14.5% average	3	14%
	% of productive hours worked (patrols)	55%	56.9%	3	55%	57.1% average	3	30%
	% of patrol hours worked (foot patrols)	15%	17.5%	3	15%	16% average	3.1	15%
	Average hours per month dedicated to bicycle and motorcycle patrols	40 hrs pm average	53.4 hrs pm average	3	40 hrs pm average	46.2 hrs pm average	3.1	30 hrs pm average
Report to council regularly	Number of months during which reports were submitted	3	3	3	3	3	3	-
	Monthly report submitted?	n/a	-	-	-	-	-	Yes
Effectively manage speeding fines	% of first notifications issued by service providers within 30 days	n/a	-	-	100%	100%	3	100%
Ensure that legal registers are compliant	Number of months during which service provider maintained court and AG registers	n/a	-	-	12	12	3	-
	Monthly maintenance of court and AG registers by service provider done?	n/a	-	-	-	-	-	Yes
Compile an annual police plan in line with the relevant legislation	Annual plan submitted to Council by end of April?	Yes	Yes	3	Yes	Yes	3	Yes
Undertake pro-active programmes and projects	Number of traffic safety and drug awareness programmes	8 pa	21 for the year	3	12 pa	23 for the year	5	10 pa
Reduce alcohol and drug related crime	Number of alcohol / drug / traffic and other crime prevention operations per quarter	108 pq	113.5 pq average	3	400 pa	598 for the year	4	400 pa
Provide a high quality traffic and licensing service	Number of written complaints regarding Municipal Police Service	0 maximum	3 for the year	3	0 maximum	6 for the year	2.9	0 maximum
	% of provincial decisions obtained within 48 hours	100%	100%	3	100%	100%	3	100%

Chapter 3

	% of queries and request finalised within 48 hours	100%	100%	3	100%	100%	3	100%
	Number of legal actions taken against Swartland Municipality	0 maximum	0	3	0 maximum	0	3	0 maximum
Manage funds properly	% cashiers reconciled daily	100%	100%	3	100%	100%	3	-
	Did all cashiers reconcile on a daily basis?	n/a	-	-	-	-	-	Yes
Ensure proper monitoring of the Client Service Charter	% of motor registration and licensing cases handled within 15 - 20 minutes	100%	100%	3	100%	100%	3	100%

Chapter 3

Employees: Police Officers					
Job Level	Year 0	Year 1			
Police	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Police Officer & Deputy	2	2	1	1	50%
Other Police Officers	42	46	41	5	11%
0 - 3	4	4	4	0	0%
4 - 6	12	13	12	1	8%
7 - 9	6	7	6	1	14%
10 - 12	1	0	0	0	-
13 - 15	0	3	3	0	0%
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
Total	67	75	67	8	11%

T3.65.4

Financial Performance Year 1: Police					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R 5 071 491	R 4 024 503	R 4 024 503	R 3 284 873	-23%
Expenditure:					
Police Officers	R 10 204 148	R 10 645 240	R 10 645 240	R 10 712 575	1%
Other employees					
Repairs and Maintenance	R 124 881	R 130 080	R 145 080	R 117 841	-10%
Other	R 3 507 029	R 3 593 188	R 4 019 187	R 4 148 642	13%
Total Operational Expenditure	R 13 836 058	R 14 368 508	R 14 809 507	R 14 979 058	4%
Net Operational Expenditure	R 8 764 567	R 10 344 005	R 10 785 004	R 11 694 185	12%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.65.5

Capital Expenditure Year 1: Police					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 890 000	R 890 000	R 884 000	-1%	
Equipment	R 360 000	R 360 000	R 311 000	-16%	R 280
Replace vehicles (x3)	R 530 000	R 530 000	R 573 000	8%	R 320
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					T3.65.6

Chapter 3

COMMENT ON THE PERFORMANCE OF POLICE OVERALL:

The performance of the Service is also measured on local and provincial level. The SMPS **Key Performance Areas** are crime prevention, traffic policing and by law enforcement and has the following key performance indicators which is measured monthly and quarterly, **Key performance Indicators** are the following:

Crime prevention;

Foot patrols;

Roadblocks,

Bicycle patrols; and

Commonage patrols.

The Performance target per month is set at 80% .

3.66 FIRE

INTRODUCTION TO FIRE SERVICES

Swartland Municipality have a Fire Service consisting of 2 full time fire officers and 34 voluntary trained municipal workers . The top service delivery priorities for the year under review was :

Fire Prevention

The saving of lives and property

To react rapidly with the available resources to extinguish reported fires

During the year under review the Swartland Fire Service reacted to 262 fires and 35 other incidents within the average turnout time especially within urban areas. The service delivery within the rural areas is still challenging. During this year a new fire fighting vehicle was added to the current fleet which lead to better service delivery .People living in informal settlements were given fire prevention tips to help them as a first line of reaction to the fires . Fire prevention campaigns were also aimed at the poor.

Municipal Fire Service Data					
	Details	Year -1	Year 0		Year 1
		Actual No.	Estimate No.	Actual No.	Actual No.
1	Total fires attended in the year	278	290	307	262
2	Total of other incidents attended in the year	34	35	41	30
3	Average turnout time - urban areas	12	12	12	12
4	Average turnout time - rural areas	20	20	22	24
5	Fire fighters in post at year end	36	36	36	36
6	Total fire appliances at year end	9	9	9	9
7	Average number of appliance off the road during the year	nul	nul	nul	nul
					T3.66.2

Chapter 3

Fire Service Policy Objectives Taken From IDP								
Performance Objectives	Key Performance Indicator	2010/11			2011/12			2012/13
		Target	Actual	Score	Target	Actual	Score	Target
Universal indicators								
Turnout time compared to National guidelines	% turn out within guidelines (total number of turn outs)	% within guidelines	% within guidelines		% within guidelines	% within guidelines		% within guidelines
Indicators from IDP (from 2012/13 only)								
Adjust Standard Fire-fighting By-law according to local conditions and adopt	By-law adopted by Council				-	-	-	End of Dec 2012
Annual review of by-law	By-law reviewed				-	-	-	Annually after adoption
Fire fighting / disaster awareness campaigns -	- with schools, businesses, old age homes - with media				-	-	-	Monthly Quarterly
Indicators from IDP (from 2010/11)								
Provide a quality fire fighting service	% of time during month that service is available	100%	100%	3	100%	100%	3	-
	Service available 100% of the time during a month	n/a	-	-	-	-	-	Yes
	% vehicles operational per month	90%	96%	3	90%	98.4%	3	-
	Number of vehicles not operational for more than 5 days during the month	n/a	-	-	-	-	-	0 maximum
	Number of months during which vehicles and equipment inspections were undertaken	12	12	3	12	12	3	-
	Monthly inspection of vehicles and equipment done?	n/a	-	-	-	-	-	Yes
	Number of written complaints regarding poor service	2 pm maximum	1 for the year	3	2 pm maximum	1 for the year	3	2 pm maximum
Reduce fire risks through continuous public awareness	Number of educational / awareness campaigns	6 pa	5 for the year	3	6 pa	12 for the year	3.5	10 pa
Properly maintain all supporting infrastructure	Total no of hydrants monitored and repaired	1000 pa	1268 for the year	3.5	1 200 pa	1 347 for the year	3.4	1200 pa

Chapter 3

Ensure proper monitoring of the Client Service Charter	% fire incidences reacted to within 20 minutes (in town areas) after receipt of a call or immediately after capture by an SMS system	100%	100%	3	100%	100%	3	100%
	% of other emergencies receiving immediate attention and feedback when attended to, or immediately after capture by an SMS system	100%	100%	3	100%	100%	3	100%

Chapter 3

Employees: Fire Services					
Job Level	Year 0	Year 1			
Fire Fighters	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
Administrators	No.	No.	No.	No.	%
Chief Fire Officer & Deputy	1	1	1	0	0%
Other Fire Officers	1	1	1	0	0%
0 - 3	0	0	0	0	-
4 - 6	0	0	0	0	-
7 - 9	0	0	0	0	-
10 - 12	0	0	0	0	-
13 - 15	0	0	0	0	-
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
Total	2	2	2	0	0%

T3.66.4

Capital Expenditure Year 1: Fire Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 80	R 680	R 595	87%	
Equipment Fire & Emergency	R 80	R 80	R 71		
Vehicle : Fire Fighting	R 0	R 600	R 524	100%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

T3.66.6

COMMENT ON THE PERFORMANCE OF FIRE SERVICES OVERALL:

The available resources are used to do the best we can to safeguard the community and to respond rapidly to any fire. We have the luxury of having the support of West Coast District Municipal Fire Fighting service who are keen to help where they can.

3.67 OTHER (DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER)

INTRODUCTION TO DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC

Disaster management within the municipality are still a big challenge. We do not have dedicated staff to look after disaster management. The Fire Chief is taking the responsibility of disaster management. The top service delivery priorities for the municipality are: to proactively prevent, mitigate, respond and recover from the effects of all disasters. The municipality heavily depend on the support of the West Coast Disaster Management Centre for any back-up to a disaster. No big disasters occurred during the year under review except for the 262 fires that were attended to.

Chapter 3

Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc Policy Objectives Taken From IDP								
Performance Objectives	Key Performance Indicator	2010/11			2011/12			2012/13
		Target	Actual	Score	Target	Actual	Score	Target
Universal indicators								
None								
Indicators from IDP (from 2012/13 only)								
Compile Disaster Management Plan	Plan completed				-	-	-	End of 1st Qtr 2012
Annually review Disaster Management Plan	Review completed				-	-	-	Annually after completion of plan
Communication of Disaster Management Plan with role-players	Scheduled meetings held				-	-	-	Quarterly after completion of plan
Disaster readiness drill	Drill conducted				-	-	-	Annually after completion of plan
Indicators from IDP (from 2010/11)								
Utilise disaster management resources optimally	Compilation / annual revision of Disaster Management Plan completed by end of June?	N/a	-	-	Yes	Yes	3	Yes

Chapter 3

Financial Performance Year 1: Disaster Management					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R 0	R 0	R 0	R 0	
Expenditure:					
Employees	R 0	R 0	R 0	R 0	
Repairs and Maintenance	R 0	R 0	R 0	R 0	
Other	R 93 423	R 150 000	R 150 000	R 68 200	-120%
Total Operational Expenditure	R 93 423	R 150 000	R 150 000	R 68 200	-120%
Net Operational Expenditure	R 93 423	R 150 000	R 150 000	R 68 200	-120%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.67.5

Capital Expenditure Year 1: Disaster Management, Animal Licencing and Control, Control of Public Nuisances, Etc					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 0	R 0	R 0	0%	
Project A					
Project B					
Project C					
Project D					
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure)</i>					

COMMENT ON THE PERFORMANCE OF DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL OF PUBLIC NUISANCES, ETC OVERALL:

No capital allocations are made in the budget for disaster management per se. In the operational budget an amount of R150 000 are set aside to help community members who have losses through fires destroying their living places.

Disaster Management are also taken seriously by the Civil and Development Departments as they recognises the linkage between disasters and development. The allocation of capital money to address any disaster is still a great challenge.

COMPONENT H: SPORT AND RECREATION

This component includes: community parks; sports fields; sports halls; stadiums; swimming pools; and camp sites.

Chapter 3

INTRODUCTION TO SPORT AND RECREATION

Swartland Municipality operates and maintains 14 sports facilities and three public swimming pools. These facilities cater for a variety of sporting codes including soccer, netball, hockey, cricket, rugby, bowls, squash, swimming, weightlifting and athletics. The cost of the operation and maintenance of sport facilities is an area of concern as sport facilities in rural areas do not generate enough income to cover the operation and maintenance expenditure. It must therefore be funded from public revenue sources. Any extensions or new sport fields will increase the burden on public revenue sources.

3.68 SPORT AND RECREATION

Chapter 3

Sport, Parks and Recreation Policy Objectives Taken From IDP								
Performance Objectives	Key Performance Indicator	2010/11			2011/12			2012/13
		Target	Actual	Score	Target	Actual	Score	Target
Universal indicators								
None								
Indicators from IDP (from 2012/13 only)								
Determine existing resources allocated to sport and recreation; Determine the maximum that the Municipality can allocate based on its financial ability	Amount allocated for sport and recreation in terms of depreciated value of assets must be made available for upgrading and refurbishment				-	-	-	100% of the maximum amount determined
Develop a policy on the maintenance of sports facilities and submit to Council for approval	Policy approved				-	-	-	2012
	Policy implemented				-	-	-	From 2013
Indicators from IDP (from 2010/11)								
Implementation of planned park maintenance activities	% of parks and open spaces inspected in accordance with schedule	90%	97.5%	3	90%	90%	3	90%
	% of the operating budget allocated for maintenance spent	100%	85.90%	2.5	95%	95%	3	95%
Ensure availability of swimming pools through proper maintenance	Number of days swimming pools were unavailable due to poor maintenance	0 maximum	0	3	0 maximum	0	3	0 maximum
Ensure client orientated parks and recreation service provision	Number of legitimate written complaints i.r.o. parks and recreation received	4 pm maximum	2 for the year	3	4 pm maximum	0	3	4 pm maximum
	% of written correspondence i.r.o. parks and recreation attended to within 10 working days	100%	100%	3	100%	100%	3	100%

Chapter 3

Employees: Sport and Recreation					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	24	25	20	5	20%
4 - 6	24	26	24	2	8%
7 - 9	6	6	4	2	33%
10 - 12	3	3	3	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
Total	58	61	52	9	15%

T3.68.3

Financial Performance 2008/09: Sport and Recreation					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R 2 063 052	R 2 100 218	R 2 100 218	R 2 613 004	20%
Expenditure:					
Employees	R 7 857 638	R 8 804 490	R 8 804 490	R 8 167 355	-8%
Repairs and Maintenance	R 837 595	R 1 162 413	R 1 162 413	R 912 130	-27%
Other	R 2 870 288	R 4 954 003	R 5 005 684	R 4 123 313	-20%
Total Operational Expenditure	R 11 565 521	R 14 920 906	R 14 972 587	R 13 202 798	-13%
Net Operational Expenditure	R 9 502 469	R 12 820 688	R 12 872 369	R 10 589 794	-21%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					

T3.68.4

Capital Expenditure Year 1: Sport and Recreation					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 1 477	R 3 100	R 2 942	50%	
Broadcasting Booth : Gene Louw Sports Grounds Moorreesburg	R 150	R 198	R 193	-3%	
Gene Louw Fencing	R 50	R 61	R 61	0%	
Kalbaskraal Sport Grounds (Lotto)	R 0	R 50	R 50	0%	
Upgrading of Sports Grounds: Riebeek West (Lotto)	R 0	R 100	R 0		
Swimming pool Malmesbury: New Tiles/Surface	R 0	R 1 173	R 1 173	0%	

Chapter 3

COMMENT ON THE PERFORMANCE OF SPORT AND RECREATION OVERALL:

The IDP has seven strategic outcomes and the provision of sport facilities is aligned to the following three outcomes:

- Outcome 2: Satisfied, well informed clients;
- Outcome 4: Access to affordable and reliable infrastructure;
- Outcome 5: Sustainable development of the municipal area (with special emphasis on previous neglected areas).

Only two capital projects were implemented, i.e. the construction of a broadcasting booth and fencing at the Gene Louw sport fields in Moorreesburg. These projects were implemented in accordance with the service delivery and budget implementation plan.

It must be noted the municipality has made special effort to prepare business plans and funding applications for external sources of funding such as the National Lottery Fund.

COMPONENT I: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

3.69 EXECUTIVE AND COUNCIL

This component includes: Executive office (mayor; councillors; and Municipal Manager).

Chapter 3

The Executive, Council, Secretariat and Client Services Policy Objectives Taken From IDP								
Performance Objectives	Key Performance Indicator	2010/11			2011/12			2012/13
		Target	Actual	Score	Target	Actual	Score	Target
Universal indicators								
None								
Indicators from IDP (from 2012/13 only)								
Evaluate organisational readiness in light of approved IDP and strategy and re-align if necessary	Obtain comments of top management and unions				-	-	-	By Dec 2012
Regular strategy meetings with top management	Meetings with top management held				-	-	-	Quarterly
Monitor success with actions and processes	Problems addressed and adjustments made if necessary				-	-	-	Quarterly
Roadshow in all departments with all staff on vision, mission, strategy and goals	Roadshow held				-	-	-	Commencing June/July 2012
Annually revise the strategic plan (IDP) as per legislative requirements	Strategic plan (IDP) revised				-	-	-	Annually by May
Effectively attend to reported and identified fraud and corruption cases	Monthly reporting to MM and quarterly reporting to Audit Committee				-	-	-	Monthly and Quarterly
Investigate the use of external person such as a retired magistrate to chair disciplinary hearings	Complete investigation that includes re-evaluation of the national collective agreement				-	-	-	Dec 2012
Investigate the use of the shared services concept to chair disciplinary hearings	Participate in evaluation process and await the outcome of Ignite report and take a decision regarding participation				-	-	-	Nov 2012
Fraud and Corruption awareness under staff and the public	Awareness campaign by external service provider for all departments up to supervisor level				-	-	-	Commence Aug 2012
Make staff and public aware of whistle blowing procedure and contact number	Include in above-mentioned awareness campaign				-	-	-	As above

Chapter 3

Emphasise and explain existing Value System to address ethics in the workplace	Execute programme				-	-	-	From Sep 2012
Popularise existing Value System	Execute programme				-	-	-	From Sep 2012
Educate staff on professionalism and integrity	Agree on and execute programme				-	-	-	From Feb 2013
Apply disciplinary code	Continuous application of code and reporting of hearing outcomes				-	-	-	Quarterly
Maintain an effective independent Audit Committee function as per legislation	Annual evaluation of Audit Committee by Mayor and MM				-	-	-	Annually
Manage the Municipality in an economically, effective and efficient way	A clean audit obtained				-	-	-	Annually
Revisit Section 53 Role clarification	Role clarification updated				-	-	-	Jan 2013
Investigate cost effectiveness of own offices versus lease offices and the relocation of municipal stores	Investigation completed				-	-	-	Mar 2013
Investigate further appropriate electronic media to obtain suggestions to improve service delivery	Investigation completed				-	-	-	By June 2013
Encourage reaction of public regarding municipal services	Article in quarterly newsletter and local media				-	-	-	Bi-annually
Compile a communication strategy and plan	Strategy and plan compiled				-	-	-	By June 2013
Maintain centralised database of all stakeholders and stakeholder forums	Updated corporate stakeholder database				-	-	-	Annually by June
Involve stakeholders and stakeholder forums in policy making, projects and programmes	Proof of stakeholder involvement (attendance register of meetings, advertisement, notices, etc)				-	-	-	Quarterly at the end of Feb, May, Aug and Nov
Communicate Area Plans after approval	Communication done as planned				-	-	-	Annually after May
Distribution of ward information pamphlets	Pamphlets distributed				-	-	-	Annually

Chapter 3

Indicators from IDP (from 2010/11)								
<i>Applicable to Municipal Manager:</i>								
Ensure sound management	Number of management meetings	11	16	3	11	14	3	-
	Monthly management meetings held?	n/a	-	-	-	-	-	Yes
Promote implementation by ensuring that the performance of the municipality is monitored	Number of months with performance and financial assessments	11	11	3	10	10	3	-
	Monthly performance and financial assessments done?	n/a	-	-	-	-	-	Yes
Promote good governance through the publication of an annual report	Annual Report as required by MFMA (121) tabled before end of January and approved before end of March?	Yes	Yes	3	Yes	Yes	3	Yes
Ensure that participative planning takes place	Number of months during which IDP/Budget process schedule were checked	10	10	3	9	10	3	-
	Monthly checking of IDP/Budget process schedule done?	n/a	-	-	-	-	-	Yes
Ensure the organisation functions optimally by maintaining a functional macro-structure	Annual review of the macro structure completed?	Yes	Yes	3	Yes	Yes	3	Yes
Ensure good cooperation between the political and administrative components of the municipality	Performance Management System for Councillors evaluated and revised?	Yes	Yes	3	Yes	Yes	3	Yes
	Compilation of Section 53 role clarification before March 2012?	n/a	-	-	Yes	Yes	3	-
Improve decision-making through the formalisation of delegations	System of delegations revised?	Yes	Yes	3	Yes	Yes	3	Yes
Ensure that the financial statement fairly represent the position of the Municipality and that performance information is reliable, accurate and complete	Was a clean audit obtained from the Auditor-General?	Yes	No	2	Yes	Yes	3	Yes

Chapter 3

Applicable to all directors:								
Ensure that capital expenditure is in line with budget and time frames	% of capital budget spent	95%	101.3%	3	95%	97%	3	95%
Implement capital projects	Average % completion of capital projects	95%	97.6%	3	95%	94%	3	95%
Ensure that operating expenditure is in line with budget and time frames	% of operating budget spent	Between 90% and 100%	95.9%	3	Between 90% and 100%	96%	3	Between 90% and 100%
Ensure that the workforce is appropriately skilled	% of planned training sessions realised	100%	100%	3	100%	100%	3	100%
Implement all council decisions	% of due council decisions initiated	100%	98%	3	100%	100%	3	100%
Ensure proper performance and financial monitoring	Number of months during which performance assessments and reconciliation of departmental records of expenditure with finance records were done	10	10	3	10	10	3	-
	Monthly performance assessments and reconciliation of departmental records of expenditure with finance records done?	n/a	-	-	-	-	-	Yes
	Number of months where the monthly performance and SDBIP information were provided accurately and timely (2010/11)	10	10	3	n/a	-	-	-
Ensure legal compliance in relation to the annual report	Departmental input to the annual report submitted by due date?	Yes	Yes	3	Yes	Yes	3	Yes
Facilitate adequate budget planning	Budget requests provided to financial department in accordance with the budget time schedule?	Yes	Yes	3	Yes	Yes	3	Yes
Complete all assignments from the municipal manager by set date	Number of written warnings received from municipal manager	0 maximum	0	3	0 maximum	0	3	0 maximum
Address all correspondence in a timely manner	% of all correspondence recorded by Collaborator less than 60 days old	80%	90.40%	3	80%	93.1%	3	90%
Implement transformation in the organisation	% of employment opportunities applied for appropriate equity appointments				75%	94.5%	3	75%
Ensure that all procurement comply with the legal process	% compliance with SCM policy with the exception of approved deviations	100%	99.3%	3	100%	99.5%	3	100%

Chapter 3

Resolve all audit issues	% audit queries for which an action plan was submitted within 10 working days	90%	100%	3	90%	100%	3	90%
	% internal actions implemented within agreed time frame	n/a	-	-	100%	81.9%	2.5	100%
	% of Auditor General's queries (comafs) for which an action plan was submitted within 5 working days	n/a	-	-	-	-	-	100%
	% of Auditor General's actions implemented within agreed time frame	100%	77.2%	2	-	-	-	100%
Identify risks and implement controls	Confirmation of risk assessment by May annually?	Yes	Yes	3	Yes	Yes	3	-
	Quarterly confirmation of risk assessment?	n/a	-	-	-	-	-	Yes
Ensure employee involvement through communication	% of invocoms held according to approved schedule	100%	90.2%	3	100%	97%	3	100%
Reduce the average duration of vacancies	Average duration of vacancies after decision was taken by management to fill the post				3 months maximum	4.6 months average		3 months maximum
Promote a productive workforce	% of person days lost per month	4% pm maximum	2.1% pm average	3	4% pm maximum	2.5% pm average		4% pm maximum
Ensure the effective monitoring of the EPWP with respect to implementation and reaching of targets	Number of person days of work created during the financial year	n/a	-	-	-	14 105 for the year		To be determined
	Number of work opportunities created during the financial year	n/a	-	-	-	-	-	To be determined
Adherence to the Municipality's Virement Policy	Have more than 4 virements with respect to any line item on the budget been done during the financial year?	n/a	-	-	-	-	-	No
Applicable to the organisation as a whole:								
Manage the drafting of the municipality's IDP	Draft revised IDP adopted by Council before the end of March?	Yes	Yes	3	Yes	Yes	3	Yes
	Final IDP / Annual Plan adopted by Council before the end of May?	Yes	Yes	3	Yes	Yes	3	Yes
	Notice given to the public of the adoption of the IDP within 14 days of the adoption of the plan?	Yes	Yes	3	Yes	Yes	3	Yes

Chapter 3

	A copy of the revised IDP submitted to the MEC for local government within 10 days of the adoption of the plan	Yes	Yes	3	Yes	Yes	3	Yes
	Report submitted?	Yes	Yes	3	Yes	Yes	3	Yes
	Summary of the 5 year IDP publicised within 14 days of the adoption of the plan?	n/a	-	-	Yes	Yes	3	Yes
Encourage the involvement of the local community	SMAF workshops / meetings held in November and April?	Yes	No	3	Yes	Yes	3	Yes
	Draft annual ward plans completed by end of February?	Yes	Yes	3	Yes	Yes	3	Yes
	IDP public meetings to obtain inputs on draft IDP held in April?	Yes	Yes	3	Yes	Yes	3	Yes
Ensure legal compliance regarding performance management	% of Auditor General requirements with respect to PMS met	85%	100%	3	85%	100%	3	85%
Ensure legal compliance regarding integrated development planning	% of Auditor General requirements with respect to IDP and Annual Plans met	90%	100%	3	90%	100%	3	90%
Ensure effective performance management	Annual revision of KPIs and targets done by end of March?	Yes	Yes	3	Yes	Yes	3	Yes
MFMA Section 53 and 54: Manage the SDBIP	A draft SDBIP for the budget year submitted to the Executive Mayor no later than 14 days after the approval of an annual budget?	Yes	Yes	3	Yes	Yes	3	Yes
	SDBIP approved by the Executive Mayor within 28 days after the approval of the budget?	Yes	Yes	3	Yes	Yes	3	Yes
	SDBIP made public no later than 14 days after its approval?	Yes	Yes	3	Yes	Yes	3	Yes
	Revisions of the SDBIP, if any, approved by EMC?	Yes	Yes	3	Yes	Yes	3	Yes
	Revisions of the SDBIP, if any, made public?	Yes	Yes	3	Yes	Yes	3	Yes

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Structures Act Section 56(3)(a): Executive Mayor must identify and develop criteria in terms of which progress in the implementation of the municipality's strategies, programmes and services can be evaluated, including KPI's	Criteria, including KPI's, identified and developed?	Yes	Yes	3	Yes	Yes	3	Yes
Structures Act Section 56(3)(b): Executive Mayor must evaluate progress against the key performance indicators	Number of months where progress against the KPI's were monitored	10	10	3	11	11	3	-
	Monthly progress against the KPI's monitored?	n/a	-	-	-	-	-	Yes
	Number of quarterly evaluations of progress against the KPI's done	4	4	3	4	4	3	-
	Quarterly evaluations of progress against the KPI's done?	n/a	-	-	-	-	-	Yes
MFMA Section 72 and 54: Submit a mid-year performance assessment report to Mayoral Committee and Council	Report submitted to Mayoral Committee by 25 January?	Yes	Yes	3	Yes	Yes	3	Yes
	Report submitted to Council by 31 January?	Yes	Yes	3	Yes	Yes	3	Yes
MFMA Section 69 and 53: Manage the performance agreements of the Municipal Manager and senior managers	Draft annual performance agreements for the next year submitted to the Executive Mayor no later than 14 days after the approval of an annual budget	Yes	Yes	3	Yes	Yes	3	Yes
	Copies of the performance agreements submitted to Council and the MEC for local government by end of June?	Yes	Yes	3	Yes	Yes	3	Yes
	Performance agreements made public no later than 14 days after the approval of the SDBIP?	Yes	Yes	3	Yes	Yes	3	Yes
	Annual performance agreements comply with this Act in order to promote sound financial management?	Yes	Yes	3	Yes	Yes	3	Yes
	Annual performance agreements linked to the measurable performance objectives?	Yes	Yes	3	Yes	Yes	3	Yes

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Structures Act Section 56(3)(g) and (h): Executive Mayor must annually report on public involvement in the affairs of the municipality	Was such an annual report submitted?	Yes	Yes	3	Yes	Yes	3	Yes
	Regard given to public views and was a report on the effect of consultation on the decisions of the council submitted?	Yes	Yes	3	Yes	Yes	3	Yes
MFMA Section 21(1)(a) and (b): Executive Mayor must co-ordinate the processes for reviewing the IDP	Processes co-ordinated?	Yes	Yes	3	Yes	Yes	3	Yes
	Time schedule adopted by Council before the end of August?	Yes	Yes	3	Yes	Yes	3	Yes
Structures Act Section 56(2): Executive Mayor must ensure proper needs analysis	Needs of the municipality identified?	Yes	Yes	3	Yes	Yes	3	Yes
	Needs reviewed and evaluated in order of priority?	Yes	Yes	3	Yes	Yes	3	Yes
	Strategies, programmes and services to address the needs through the IDP recommended to council?	Yes	Yes	3	Yes	Yes	3	Yes
	The best way to deliver those strategies recommended or determined?	Yes	Yes	3	Yes	Yes	3	Yes
MFMA Section 21(2): Executive Mayor must ensure that the municipality revises the IDP taking into account realistic revenue and expenditure projections for future years	Municipality revised its IDP taking into account realistic revenue and expenditure projections for future years?	Yes	Yes	3	Yes	Yes	3	Yes
MFMA Section 21(1)(a): Ensure that the budget, the IDP and budget-related policies are mutually consistent and credible	IDP and budget-related policies mutually consistent and credible?	Yes	Yes	3	Yes	Yes	3	Yes
Secretariate and general support:								
Ensure an effective secretariat service to Council, Mayoral Committee and ward committees	Number of council agendas distributed per quarter according to policy (i.e. 48 hours in advance)	6	6	3	4	5	3	-

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	Council agendas distributed each quarter according to policy (i.e. 48 hours in advance)?	n/a	-	-	-	-	-	Yes
	Number of months during which EMC agendas were distributed according to policy (i.e. 24 hours in advance)	12	15	3	12	12	3	-
	EMC agendas distributed monthly according to policy (i.e. 24 hours in advance)?	n/a	-	-	-	-	-	Yes
	Number of months during which EMC and Council resolutions were distributed according to policy (i.e. within 10 days average) 2010/11	12	12	3	n/a	-	-	-
	Number of months during which ward committee agendas were distributed at least 7 days before the meetings	n/a	-	-	8	7	3	-
	Ward committee agendas distributed monthly at least 7 days before the meetings?	n/a	-	-	-	-	-	Yes
Ensure the timely distribution of resolutions to appropriate officials	Average number of days to distribute EMC, Council and ward committee resolutions according to policy	n/a	-	-	7 maximum	5.2 days average	3.1	7 maximum
Ensure that ward committees are continually engaged	Number of ward committee meetings held per annum	At least 60	60 for the year	3	At least 72	84 for the year	3	At least 72
Promote participative decision-making on ward level	% of resolutions taken per month with ward committee input	n/a	-	-	25%	49% pm average	3	-
Appropriately manage the filing system	Update of master copy bi-annually in December and June completed?	Yes	Yes	3	Yes	Yes	3	-
	Annual update of master copy completed by June?	n/a	-	-	-	-	-	Yes
Adequately distribute all incoming correspondence	% of incoming mail referred within 48 hours	80%	100%	3	80%	100%	3.5	80%
Manage archives in a legally compliant manner	Number of quarterly inspection reports per year	4	4	3	4	4	3	-
	Quarterly inspection reports submitted?	n/a	-	-	-	-	-	Yes

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Train all staff in records management	Number of training sessions	4	3	3	4	4	3	1 for the year
Improve access to municipal policies and bylaws	Annual review of policy register completed by end of June?	Yes	Yes	3	Yes	Yes	3	Yes
Ensure that council minutes are placed on the Municipality's website	Council minutes placed on the Municipality's website within 5 days after the council meeting?	n/a	-	-	Yes	Yes	3	Yes
Promote internal and external communication	Number of external newsletters distributed	n/a	-	-	4	4	2.5	4
	Number of external newsletters distributed	n/a	-	-	4	4	3	4
	Annual review of communication plans completed by June?	n/a	-	-	Yes	No	3	-
	Communication strategy and plan completed by June 2013?	n/a	-	-	-	-	-	Yes
Facilitate the compilation of an annual report	Annual Report tabled in January and approved in March?	n/a	-	-	Yes	Yes	3	Yes
Update delegation register	Annual update of delegation register by June?	n/a	-	-	Yes	Yes	3	Yes

Chapter 3

Employees: The Executive and Council					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	-
4 - 6	0	0	0	0	-
7 - 9	2	2	2	0	0%
10 - 12	1	1	1	0	0%
13 - 15	1	1	1	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	-
Sect 56	7	7	7	0	0%
Total	12	12	12	0	0%

T3.69.4

Financial Performance Year 1: The Executive and Council					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R 199	R 1 444	R 1 444	R 1 986	27%
Expenditure:					
Employees	R 11 889	R 13 776	R 13 776	R 13 655	-1%
Repairs and Maintenance	R 45	R 59	R 59	R 45	-31%
Other	R 4 304	R 4 993	R 5 454	R 5 342	7%
Total Operational Expenditure	R 16 238	R 18 828	R 19 289	R 19 042	1%
Net Operational Expenditure	R 16 039	R 17 384	R 17 845	R 17 056	-2%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					
T3.69.5					

Capital Expenditure Year 1: The Executive and Council					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 77	R 197	R 162	52%	
Equipment Council	R 12	R 12	R 0		
Equipment Municipal Manager	R 17	R 17	R 8	-113%	
Purchase of land: Roads Abbotsdale and Riebeeke	R 0	R 120	R 107	100%	
Equipment Corporate	R 48	R 48	R 47	-2%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					
T3.69.6					

Chapter 3

3.70 FINANCIAL SERVICES

INTRODUCTION FINANCIAL SERVICES

The finance department consists of approximately 71 employees. The different sections are Budget and Treasury Office, Supply Chain Management, Rates Office, Income Section, Annual Financial Statements, Creditors, Salary Office, Credit Control, Expenditure Section and Fleet Management.

The finance department's primary objective is to assist the Municipal Manager and other Senior Managers to control their budgets and ensure the effective application of financial resources in rendering services to the community.

Financial stability is a cornerstone for sustainable service delivery, and the municipality acknowledges that in all of its planning exercises, be it in budgeting processes, in-year reporting and year-end financial performance reviews.

During the 2010/2011 financial year the municipality started a strategic review of its financial position and financial requirements for the future and expanded on this review in 2011/2012. These reviews led to the identification and documentation of objectives and indicators which were partly included in the IDP of the 2011/2012 financial year and the rest in the 2012/2013 IDP. These indicators, as well as the results of those which could already be measured, are listed below.

In addition the municipality, with financial assistance from the Provincial Treasury, embarked on an exercise to determine predetermined benchmarks and standards for municipalities. This exercise is about completed and the provisional results confirm that the municipality is one of the most financially viable municipalities in the Western Cape. The municipality aims to stabilise the financial position in order to ensure that it remains financially viable in the future and thereby ensuring continuous quality services to its residents.

Debt Recovery								
Details of the types of account raised and recovered	Year 0		Year 1			Year 2		
	Actual for accounts billed in year	Proportion of accounts value billed that were collected in the year %	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected %	Billed in Year	Estimated outturn for accounts billed in year	Estimated Proportion of accounts billed that were collected %
Property Rates	R 53 458 601	93%	R 56 610 283	R 57 383 208	101%	R 64 539 607	R 64 590 286	100%
Electricity - B								
Electricity - C	R 110 462 667	97%	R 137 024 828	R 132 603 171	97%	R 152 138 666	R 147 229 300	97%
Water - B								
Water - C	R 28 665 895	96%	R 33 156 436	R 31 857 220	96%	R 37 300 990	R 35 839 372	96%
Sanitation	R 21 630 808	97%	R 25 518 498	R 25 248 563	99%	R 29 346 272	R 29 035 847	99%
Refuse	R 17 577 155	95%	R 21 814 965	R 20 533 456	94%	R 23 287 475	R 21 919 464	94%
Other	R 375 274	100%	R 379 856	R 358 972	95%	R 394 087	R 387 151	98%
B- Basic; C= Consumption. See chapter 6 for the Auditor General's rating of the quality of the financial Accounts and the systems behind them.								T3.70.2

Chapter 3

Financial Service Policy Objectives Taken From IDP								
Performance Objectives	Key Performance Indicator	2010/11			2011/12			2012/13
		Target	Actual	Score	Target	Actual	Score	Target
Universal indicators								
Increase in speed of payment of tariffs, tax demands, invoices	No more than x% of creditors raised (in Rand value) during the year outstanding (o/s) at year end	No more than % of current yr creditors o/s at yr end	No more than % of current yr creditors o/s at yr end		No more than % of current yr creditors o/s at yr end	No more than % of current yr creditors o/s at yr end		No more than % of current yr creditors o/s at yr end
Reducing the number of invoices raised by increasing advance payment for services rendered (A project requiring participation by all departments but let by the central finance department)	x% reduction in number of invoices raised over the previous year's target	% reduction in invoices raised; target limit of invoices	% reduction in invoices raised; target limit of invoices		% reduction in invoices raised; target limit of invoices	% reduction in invoices raised; target limit of invoices		% reduction in invoices raised; target limit of invoices
Improving speed of legal measures to recover revenues	Commence legal proceedings for recovery of revenues within 4 weeks of the due date	Legal proceeding within 4 weeks of due date	Legal proceeding within 4 weeks of due date		Legal proceeding within 4 weeks of due date	Legal proceeding within 4 weeks of due date		Legal proceeding within 4 weeks of due date
Indicators from IDP (from 2012/13 only)								
Investigate and address the cost reflectiveness of tariffs for municipal services	Investigation and report on cost reflectiveness of tariffs completed				-	-	-	By Oct 2012
	Tariffs adjusted appropriately				-	-	-	By Nov 2012
Investigate the desirability of cost reflective depreciation charges and determine an appropriate strategy	Investigation and report on desirability of cost reflective depreciation charges completed and appropriate strategy determined				-	-	-	By Oct 2012
Investigate further processes to increase the debt collection rate	Investigation and report on processes to increase the debt collection rate completed				-	-	-	By July 2012

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Train all debt collection officials as law enforcement officers	Training completed				-	-	-	By Sep 2012
Install water demand management water meters (Eskom distribution areas)	Water meters installed				-	-	-	By Oct 2012
Continue to vigorously pursue debt collection as prescribed in the Debt Collection Policy	Report quarterly on debt collection				-	-	-	Quarterly
Strictly adhere to and apply the Municipality's write-off policies in instances where bad debts occur	Report quarterly on bad debts				-	-	-	Quarterly
Investigate new sources of revenue such as the possibility of installing parking meters or appointing parking marshals on a shared revenue basis	Investigation and report on new sources of revenue completed				-	-	-	By Nov 2012
Facilitate new income generating developments	Report annually on new income generating developments realised during term of Strategic Plan				-	-	-	Annually by May
Assist new businesses to establish in the area	Report on engagements with stakeholders such as the Industrial Development Corporation to assist in bringing growth to the area				-	-	-	By May 2013
	Report on area of land provided for development opportunities				-	-	-	By March 2013
	Determine interest in industrial land in Moorreesburg and report				-	-	-	By March 2014
	% of larger projects that could be provided with sufficient infrastructure				-	-	-	100%
Do long term planning with respect to electricity income	Report on long term planning with respect to electricity income completed				-	-	-	By Oct 2012
Investigate ways to ensure the losses are limited to the absolute minimum	Report on minimising of electricity losses completed				-	-	-	By Sep 2012

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Continue the process of data cleansing and to reconcile properties on the financial system (Promun) to that of the Deeds Office, Surveyor-General's Office as well as the Valuation Roll	Report quarterly on process of data cleansing				-	-	-	Quarterly
Investigate the reasons for the below average grant revenue	Report on below average grant revenue completed				-	-	-	By Oct 2012
Pursue opportunities for receiving grant funding vigorously	Report annually on opportunities for receiving grant funding				-	-	-	Annually
Measure and report on financial performance against ratio's and standards	Report on the financial health of the Municipality by means of standards and ratio's with respect to previous fin year				-	-	-	Annually
Every director must determine where in his or her department this can possibly be done and, if so, how it will be done	Report submitted to Management Team				-	-	-	1st draft: Oct 2012 Final: Nov 2012
Human Resources must determine what is possible within the collective framework	Report in collaboration with directors submitted to Management Team				-	-	-	By Nov 2012
Do proper project planning for each capital budget request	Breakdown provided: - Start and completion date - unbundling of project				-	-	-	By end of June 2012
Determine the effect (including future operating costs) of each capital budget request	Effect determined				-	-	-	By end of June 2013
Remove any capital budget request of which the future operating expenses would be unaffordable for the Municipality	Monitor when compiling new annual budget				-	-	-	Annually
Prioritise municipal services according to priority risk (also consider income generating potential of projects)	Prioritisation completed				-	-	-	End of Oct 2012
Implement an asset register that complies with Generally Recognised Accounting Practice (GRAP) standards	Go live with the asset register				-	-	-	1 Jul 2012

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Establish an asset management programme	Asset management programme established				-	-	-	End of June 2013
Indicators from IDP (from 2010/11)								
Ensure general financial viability	% outstanding service debtors to revenue	n/a	-	-	15.6%	16.6%	3	15.6%
	% cost coverage	n/a	-	-	6.4%	6.8%	3	6.4%
	% debt coverage	n/a	-	-	27.0%	16.5%	3	27.0%
A fair property tax structure	Investigate the property tax structure in its totality with specific reference to tariff modelling	n/a	-	-	-	-	-	By Oct 2012
Ensure the effective administration of insurance claims	% claims submitted within 5 days after registration by Asset Manager	100%	90%	3	90%	95%	3	90%
	Financial loss due to late submission of insurance claims	R0 maximum	R 0	3	R0	R0	3	R0
	Number of unapproved claims due to assets that is not insured	0 maximum	0	3	0	0	3	0
	Submission of draft vehicle and insurance budget to CFO by end of November	Yes	Yes	3	Yes	Yes	3	Yes
	Number of months during which insurance claim register were reconciled	12	12	3	12	12	3	12
Continuously report on and monitor insurance claims and general control accounts	Number of months during which reports were compiled according to policy	12	12	3	12	12	3	12
Properly manage fleet	Number of months during which reconciliations took place	12	12	3	12	12	3	12
Ensure the effective management of assets	Annual asset stock taking completed by end of August?	Yes	Yes	3	-	-	-	Yes
	% of new assets accounted for on the inventory register	100%	100%	3	-	-	-	100%
Optimise income through effective credit control	% defaulters disconnected per month as per cut-off lists	95%	100%	3	95%	100%	3	95%
Appropriately manage defaulters	% of identified defaulters reconnected within standard timeframe	95%	100%	3	95%	100%	3	95%

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Appropriately manage debt	% recovered debt as at month end (prior to levy)	90%	99.8%	3	90%	98.8%	3.1	90%
	Number of write-off transactions for year	4	4	3	1 per quarter	1 per quarter	3	1 per quarter
	% debtors handed over end of year	100%	100%	3	95%	99%	3.1	95%
	% of indigent households reached through awareness	95%	95.9%	3	95%	96.5%	3	95%
Optimise credit control through continuous trend analysis	% accounts paid per month	90%	99.8%	3	90%	98.8%	3.1	-
	Cash received as % of the amount levied in the previous month	n/a	-	-	-	-	-	90%
Comply with debtor reporting standards	Number of months during which report submitted to CFO	12	12	3	12	12	3	-
	Monthly submission of debtor report to CFO?	n/a	-	-	-	-	-	Yes
Ensure access to free basic services	% households earning less than R1100 per month with access to free basic services (General KPI)	100%	100%	3	100%	100%	3	100%
Submit financial statements in line with legislation	Annual financial statements submitted before 31 August?	Yes	Yes	3	Yes	Yes	3	Yes
Improve council's income through effective billing	Number of months during which billing was referred to service provider within 4 working days after month end closure	10 for the year	12 for the year	3	10	12 for the year	3	-
	Billing referred to service provider within 4 working days after month end closure?	n/a	-	-	-	-	-	Yes
Provide accurate service information	R value retained by government due to improper reporting	R 0	R 0	3	0	0	3	0
Section 28(4): Table an adjustments budget in council	Adjustments budget tabled in council before end of February?	Yes	Yes	3	Yes	Yes	3	Yes
MFMA Sections 16 and 24: Table and submit an annual budget	Draft annual budget tabled at a council meeting before end of March?	Yes	Yes	3	Yes	Yes	3	Yes
	Final budget tabled before end of May? Yes or No	Yes	Yes	3	Yes	Yes	3	Yes

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	Approved annual budget submitted to National and Provincial Treasury before end of June?	Yes	Yes	3	Yes	Yes	3	Yes
Adhere to accounting standards	Number of months during which reporting to Council on the general ledger was done	12	12	3	11	11	3	-
	Monthly reporting to Council on the general ledger done?	n/a	-	-	-	-	-	Yes
MFMA Sections 52 and 71: Submit monthly and quarterly reports	Number of months during which Section 71 reports were submitted	12	11	3	12	12	3	-
	Monthly Section 71 reports submitted?	n/a	-	-	-	-	-	Yes
	Section 52 quarterly report submitted?	4	4	3	Yes	Yes	3	Yes
MFMA Section 72: Submit Section 72 mid year performance report	Mid Year Performance Report submitted before 25 January?	Yes	Yes	3	Yes	Yes	3	Yes
MFMA Section 21(2): When preparing the annual budget take into account the national budget, provincial budget, national government's fiscal and macro-economic policy, the annual Division of Revenue Act and any agreements reached in the Budget Forum	Said budgets, policy, act and agreements taken into account?	Yes	Yes	3	Yes	Yes	3	Yes
MFMA Section 21(2): When preparing the annual budget consult relevant authorities	Relevant authorities consulted?	Yes	Yes	3	Yes	Yes	3	Yes
MFMA Section 21(2): When preparing the annual budget provide, on request, any information relating to the budget to relevant government bodies	Information provided if requested?	Yes	Yes	3	Yes	Yes	3	Yes
Section 23(2): Respond to budget submissions and, if necessary, revise the budget and table amendments for consideration by council	Responded to budget submissions, if any? or N/a	Yes	Yes	3	Yes	Yes	3	Yes
	Budget, if necessary, revised and amendments tabled?	Yes	Yes	3	Yes	Yes	3	Yes

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Ensure proper budget control	Number of months during which budget control was done, deviations pointed out and reported to CFO	11	11	3	12	12	3	-
	Monthly budget control done, deviations pointed out and reported to CFO?	n/a	-	-	-	-	-	Yes
Do proper financial planning	Draft income budget submitted to CFO by end of November?	Yes	Yes	3	Yes	Yes	3	Yes
Improve council's income through accurate meter readings	% deviation between estimated and actual readings per month	10% pm maximum	2.88% pm average	3	10% pm maximum	1.1% pm average	3	10% pm maximum
Properly manage property information	Number of written complaints from public regarding faulty property information	5 pm maximum	0	3	5 pm maximum	0	3	5 pm maximum
	Number of months during which property register were updated on receipt of listing	12	12	3	12	12	3	-
	Monthly updating of the property register on receipt of listing done?	n/a	-	-	-	-	-	Yes
Improve council's income through the rapid registration of new subsidised clients	% of new subsidised households for which "happy letters" were received by Finance Department connected within one month	100% or n/a	100%	3	100% or N/a	N/a	-	100% or N/a
Ensure proper valuation information	Number of months during which valuation information was aligned with Promun	12	12	3	12	12	3	-
	Monthly alignment of valuation information with Promun done?	n/a	-	-	-	-	-	Yes
Ensure proper monitoring of the Client Service Charter	% account enquiries for which feedback is provided within 10 working days and adjustments made before the next account is levied	100%	100%	3	100%	100%	3	100%
	% accounts distributed monthly before the 10th day of each month	100%	100%	3	100%	96.6%	2.9	100%
Ensure legal compliance	% compliance to applicable legislation	n/a	-	-	100%	100%	3	100%
Properly manage expenditure	Number of months during which no order were placed, but paid, that would lead to unauthorised spending	9	9	3	12	12	3	-

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	No order were placed, but paid, that would lead to unauthorised spending during the month?	12	12	3	-	-	-	Yes
	% of correct requisitions sent out by the Chief Purchaser for completion within 3 days from when it landed in his/her Collaborator inbox	80%	98.9%	3	80%	97.15 pm average	3.3	80%
Properly manage municipal stores and stationary	Number of quarterly stock spot checks done	4	4	3	4	7	3	-
	Quarterly stock spot checks done?	n/a	-	-	-	-	-	Yes
	Annual stock-taking completed by end of June?	Yes	Yes	3	Yes	Yes	3	Yes
	Number of monthly balancing/reconciliation of the general ledger accounts	12	12	3	12	12	3	-
	Monthly balancing/reconciliation of the general ledger accounts done?	n/a	-	-	-	-	-	Yes
	Annual auction held before end of November?	Yes	Yes	3	Yes	Yes	3	Yes
Ensure that all service providers comply with tax clearance certification	Number of months during which it was verified that tax clearance certificates are included with all formal and informal tenders	12	12	3	12	12	3	-
	Monthly verification that tax clearance certificates are included with all formal and informal tenders?	n/a	-	-	-	-	-	Yes
Ensure that all service providers are accessible for the municipality	Annual update of the supplier list by inviting new suppliers to register completed before end of March?	Yes	Yes	3	Yes	Yes	3	Yes
Comply with statutory reporting requirements	% of reporting requirement met	50%	89.5%	3	50%	100%	3	100%
Keep the supply chain management policy relevant and up to date	Review of SCM Policy completed by end of May?	Yes	Yes	3	Yes	Yes	3	Yes
Promote awareness of economic opportunities in the community	Number of information sessions held	n/a	-	-	1	0	3	-

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Job creation opportunities	Number of new jobs created through SCM for contracts smaller than R200 000	n/a	-	-	N/a	N/a	N/a	-
Comply with SCM Regulations - Reg 6: Submit a quarterly report on implementation of the SCM policy to the mayor and make report public	Quarterly report submitted to the Mayor within 10 days of the end of each quarter?	Yes	Yes	3	Yes	Yes	3	Yes
	Quarterly report made public?	Yes	Yes	3	Yes	Yes	3	Yes
Properly manage expenditure	Number of monthly expenditure budget meetings held	9	9	3	10	11	3	-
	Monthly expenditure budget meetings held?	n/a	-	-	-	-	-	Yes
	Number of months during which daily reports were in balance at the end of the month	12	12	3	12	10	2.7	-
	Daily reports in balance at the end of the month?	n/a	-	-	-	-	-	Yes
	Number of months during which monthly bank reconciliation and related accounts finalised within 10 working days after end of month	12	12	3	12	10	2.5	-
	Monthly bank reconciliation and related accounts finalised within 10 working days after end of month?	n/a	-	-	-	-	-	Yes
Properly manage VAT	Number of months with zero difference between VAT claimed and VAT paid	12	12	-	12	12	3	-
	Zero difference between VAT claimed and VAT paid for the month?	n/a	-	-	-	-	-	Yes
Properly manage salary related transactions	Draft budgets completed and submitted to CFO by end of November?	Yes	Yes	3	Yes	Yes	3	Yes
	% of salary related deductions made on time	100%	100%	3	100%	100%	3	100%
	Number of months with calculation and payment of income tax	12	12	3	12	12	3	12

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	Calculation and payment of income tax done for the month?	n/a	-	-	-	-	-	Yes
	Annual feedback by May from SARS re correction of IRP positive?	Yes	Yes	3	Yes	Yes	3	Yes
	Number of valid written complaints regarding salaries	5 pm maximum	0	3	5 pm maximum	2 for the year	3	5 pm maximum
Pay creditors in a timely fashion	% creditors paid within 30 days	95%	98.4%	3	95%	95.6%	3	95%
Ensure that all monies are accounted for	Number of months during which receipts will be issued for all monies	12	12	3	12	12	3	-
	Monthly issuing of receipts for all monies done?	n/a	-	-	-	-	-	Yes
Ensure that all monies are banked	Number of months during which all monies were banked daily (less than R100 excluded)	12	11	3	12	11	3	-
	Banking of all monies done daily for the month (less than R100 excluded)?	n/a	-	-	-	-	-	Yes
Record all financial transactions	Number of transactions not captured during the month	10 pm maximum	0	3	10 pm maximum	0	3	10 pm maximum
Continuously monitor variances	Number of months during which variance report was controlled or checked daily and rectifications done where applicable	12	12	3	12	12	3	-
	Variance report controlled or checked daily and rectifications done where applicable for the month?	n/a	-	-	-	-	-	Yes
Ensure the proper inter-departmental management of income	Number of monthly income budget meetings held	9	9	3	9	10	3	-
Properly manage council's facilities	Number of written booking complaints received	1 pq maximum	3 for the year	3	1 pq maximum	0	3	1 pq maximum
	Number of months during which facility register were updated daily and reconciled monthly	12	12	3	12	12	3	-
	Facility register updated daily and reconciled for the month?	n/a	-	-	-	-	-	Yes

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Keep cemetery service on an acceptable standard	Number of written complaints received regarding cemeteries	1 pq maximum	0	3	1 pq maximum	0	3	1 pq maximum
	Number of months during which cemetery register were updated on daily basis	12	12	3	12	12	3	-
	Cemetery register updated on daily basis for the month?	n/a	-	-	-	-	-	Yes
Provide accurate service information	Number of months during which (elec & water) statistics and distribution losses were updated	12	9	3	12	11	2.75	-
	Monthly update of (elec & water) statistics and distribution losses done?	n/a	-	-	-	-	-	Yes
Ensure that electricity tariffs comply with legal requirements	Electricity tariffs approved by end of May?	Yes	Yes	3	Yes	Yes	3	Yes
Ensure the proper management of income	Number of months during which daily reports were in balance at the end of the month	12	8	3	12	7	2.5	-
	Daily reports in balance at the end of the month?	n/a	-	-	-	-	-	Yes
	Daily reconciliation of cash received?	100%	100%	3	Yes	Yes	3	Yes
Ensure local economy benefits through service incentives	% of relevant applications receiving incentives	100 or N/a	n/a	n/a	100% or N/a	N/a	N/a	100% or N/a
Ensure that all necessary reconciliations take place in line with legislation	% monthly reconciliation (services, properties, tariffs) done	95%	99.10%	3	95%	99% pm average	3	95%
Optimise reporting	% of working days per month that IGL 998 and IGL 009 daily reports were submitted	95%	100%	3	95%	100%	3	-

Chapter 3

Employees: Financial Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	-
4 - 6	37	38	37	1	3%
7 - 9	12	13	13	0	0%
10 - 12	3	4	4	0	0%
13 - 15	1	3	2	1	33%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	-
Total	54	59	57	2	3%

T3.70.4

Financial Performance Year 1: Financial Services					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R 40 501 525	R 31 841 228	R 27 934 114	R 19 391 663	-64%
Expenditure:					
Employees	R 13 306 974	R 16 066 947	R 16 066 947	R 14 796 017	-9%
Repairs and Maintenance	R 110 669	R 298 364	R 298 364	R 189 227	-58%
Other	R 5 436 990	R 4 091 745	R 7 186 536	R 11 036 393	63%
Total Operational Expenditure	R 18 854 633	R 20 457 057	R 23 551 848	R 26 021 636	21%
Net Operational Expenditure	-R 21 646 893	-R 11 384 171	-R 4 382 267	R 6 629 974	272%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					

T3.70.5

Capital Expenditure Year 1: Financial Services					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 41 800	R 41 800	R 36 090	-16%	
Equipment: Financial	R 41 800	R 41 800	R 36 090	-16%	
<i>Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate.</i>					

T3.70.6

Chapter 3

COMMENT ON THE PERFORMANCE OF FINANCIAL SERVICES OVERALL:

Total operational revenue amounts to R19,3m, which is 64% below the amount budgeted for in the Adjustments Budget. This is largely due to expected land sales of R6,9m which did not materialise as well as interest on investments which were budgeted for but had to be offset against the interest paid on capital projects financed from external loans.

Total operating expenditure amounts to R26m, which is 21% more than budgeted for in the Adjustments Budget. The over-expenditure is largely due to a loss on the disposal of assets of R3,3m, which were not budgeted for.

Capital expenditure for the Financial Services Directorate is limited to Office Equipment and forms a insignificant part of the total capital budget. There is no indication that the budgetary targets for the Financial Services Directorate, as set in the IDP, cannot be achieved over the term of the IDP.

3.71 HUMAN RESOURCE SERVICES

INTRODUCTION TO HUMAN RESOURCE SERVICES

Human Resources Services consists of five employees providing services to all employees of Swartland Municipality. The services provided include Labour Relations, Recruitment and Selection, Training and Development, Employee Assistance, Employment Equity and all Human Resources Administration with regard to fringe benefits, etc. Human Resources Services performed an excellent and efficient service during the year and were compliant with all legislative and regulatory prescripts.

Chapter 3

Human Resource Services Policy Objectives Taken From IDP								
Performance Objectives	Key Performance Indicator	2010/11			2011/12			2012/13
		Target	Actual	Score	Target	Actual	Score	Target
Universal indicators								
None								
Indicators from IDP (from 2012/13 only)								
Compile and implement programme for staff interaction and motivational sessions	Programme compiled and implemented				-	-	-	Annually
Monitor the level of motivation of the workforce	Perception / satisfaction survey completed				-	-	-	Annually
Develop and implement policy and standards for the recognition of achievement	Policy implemented				-	-	-	By July 2013
Review induction programme on a regular basis	Review completed				-	-	-	Annually
Hold training sessions / special equipment programmes according to workplace skills plan	Training provided according to workplace skills plan				-	-	-	Annually
Provide assistance through bursaries	Bursary approval process completed				-	-	-	Annually
Compile TASK job evaluation policy to ensure regular review of job descriptions	Policy completed				-	-	-	By June 2013
Compile succession / mentorship plan in respect of critical posts	Succession / mentorship plan approved				-	-	-	By June 2013
Compile a career path for every staff member	Finalise for levels T12 and higher				-	-	-	By June 2013
Workplace safety awareness campaigns in all departments	Awareness campaigns conducted				-	-	-	Commence July 2012 and Bi-annually thereafter
Implement start card (safety checklist) system in all departments as determined by Manager Occupational Health and Safety	System implemented				-	-	-	By Sep 2012
	System implementation monitored				-	-	-	Quarterly

Chapter 3

Indicators from IDP (from 2011/12)								
Ensure the efficient and timely administration of appointments	% external appointments made within 3 months after advertising				75%	100%	3	75%
Keep the organogram up to date	Annual review of the organogram completed and submitted to Council by end of June?				Yes	Yes	3	Yes
Keep human resource policies up to date	Number of HR policies reviewed				3 pa minimum	4 for the year	3	3 pa minimum
Continuously train and develop staff	Annual review/amendment of the Skills Development Plan completed by end of June?				Yes	Yes	3	Yes
Implement skills development	% of the municipality's salary budget actually spent on implementing its workplace skills plan (cumulative) (General KPI)				No target	0.4%	3	1% of the salary budget for the year
Implement the Prosperity Partnership	Number of invocom evaluations done				4	4	3	2
Promote employment equity through continuous planning	Compilation/review of Employment Equity plan completed by end of November?				Yes	Yes	3	Yes
	% of PDI's appointed in terms of the Municipality's approved Employment Equity plan for the month				70%	93.7% average	3	70%
Ensure legal compliance regarding employment equity reporting	Employment Equity Report submitted to Department of Labour by end of September?				Yes	Yes	3	Yes
Properly manage disciplinary disputes and processes	Bi-annual report compiled and submitted to Management in July and January?				Yes	Yes	3	Yes
	Number of unfavourable awards for the employer regarding disputes (CCMA)				0 maximum	0	3	0 maximum
Ensure that the Local Labour Forum complies with legal requirements	Number of planned LLF meetings for the year actually held				9	5 for the year	3	9
Promote a productive workforce	% of person days lost per month				3% pm maximum	2.65 pm average	3	3% pm maximum

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Maintain a safe working environment	% of person days per month lost due to injuries				2% pm maximum	0.25 pm average	3	2% pm maximum
	% of training budget allocated to safety training				4% of the training budget for the year	13% for the year	4	8% of the training budget for the year
Sufficiently orientate new staff to Swartland values	% of new personnel receiving induction				100%	100%	3	100%
Promote the Municipality's spending on skills development	% of Municipality's training budget spent on skills development				25% for the year	28% for the year	3.4	-
Properly manage Staff doing private work	Quarterly report submitted to Municipal Manager on private (outside) work done by staff?				Yes	Yes	3	Yes
Mainstream the rights of disabled people	% progress with developing a disability policy				100%	100%	3	-
Improve skills levels in the organisation	Annual review of the induction programme completed?				-	-	-	Yes
	TASK job evaluation policy completed by June 2013?				-	-	-	Yes
Institute succession planning and career pathing in the organisation	Succession / mentorship plan completed and approved by June 2013?				-	-	-	Yes
	A career path for every staff member on levels T12 and higher compiled by June 2013?				-	-	-	Yes

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Employees: Human Resource Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	-
4 - 6	0	0	0	0	-
7 - 9	2	2	2	0	0%
10 - 12	2	2	2	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
Total	5	5	5	0	0%

T3.71.4

Financial Performance Year 1: Human Resource Services					R'000
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R 265	R 462	R 462	R 531	13%
Expenditure:					
Employees	R 1 370	R 1 512	R 1 512	R 1 503	-1%
Repairs and Maintenance	R 0	R 0	R 0	R 0	
Other	R 774	R 1 023	R 878	R 638	-60%
Total Operational Expenditure	R 2 007	R 2 535	R 2 390	R 2 141	-18%
Net Operational Expenditure	R 1 742	R 2 073	R 1 928	R 1 610	-29%
<i>Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.</i>					T3.71.5

3.72 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

This component includes: Information and Communication Technology (ICT) services.

INTRODUCTION TO INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The ICT Department of Swartland Municipality provide the following services: telephone and e-mail communication, Internet access, active directory authentication, file storing services, network connectivity between offices, various applications like MS Office, Promun and Collaborator. The department also implement and give support on all PC, server, printers, copiers, telephones. PABX systems, Access / TA (time and attendance), wired and wireless networks. This includes hardware and software. The department consists of 4 persons, which support about 180 users. Most of the server infrastructure is virtualised and runs on 3 physical servers connected to a central storage device. The department is responsible for the backup and restoration of the municipality's data and also implement and maintain the municipality's IT Disaster Recovery site. The department also tries to reduce the municipality's expenditure by making use of new technology. We have installed VOIP PABX systems at all our biggest satellite offices to rather use our wide area network than expensive Telkom lines. We also e-mail about 3000 accounts to residents rather than posting a printed account to them, which means a saving on printing and posting fees. Some of the challenges the department face are, ageing infrastructure, increasing demand for storage space and bandwidth and also user training.

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ICT Services Policy Objectives Taken From IDP								
Performance Objectives	Key Performance Indicator	2010/11			2011/12			2012/13
		Target	Actual	Score	Target	Actual	Score	Target
Universal indicators								
None								
Indicators from IDP (from 2012/13 only)								
Finalise IT Governance Framework and submit to council for final approval	Document approved				-	-	-	By July 2012
Communication and awareness throughout the Municipality	Awareness meeting held				-	-	-	July 2012
Maintain an effective ICT Steering Committee	Scheduled quarterly meetings held				-	-	-	Quarterly
Implement and monitor IT Governance Framework	Report on implementation and monitoring				-	-	-	Quarterly from Oct 2012
Review IT Governance Framework annually if necessary	Document reviewed if necessary				-	-	-	End of May annually if necessary
Compile ICT Strategic Plan in line with IDP strategy	Document approved				-	-	-	By July 2012
Implement and monitor ICT Strategic Plan	Report on implementation and monitoring				-	-	-	Quarterly from Oct 2012
Participate in annual strategic discussions between Manager Strategic Services and Departments	Annual participation				-	-	-	Annually from Oct 2012
Review ICT Strategic Plan annually together with IDP if necessary	Document reviewed if necessary				-	-	-	End of May annually if necessary
Indicators from IDP (from 2011/12)								
Ensure that software is legal	% of purchased software licensed				90%	98%	3	-
Ensure timely publication of information provided on website					75%	100%	3	-
Ensure that all personnel have full time access to the computer network	% availability of critical IT resources / services?				95%	99.4%	3	100%

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Address a high percentage of complaints	% of requests lodged with Helpdesk resolved within 48 hours				75%	93.8% pm average	3.1	75%
Ensure proper management of IT systems	Number of IT Committee meetings held				4	3	3	-
	Quarterly IT Committee meetings held?				-	-	-	Yes
Ensure relevant and efficient IT service and infrastructure	Annual survey of new strategic IT needs and changes in the organisation done and submitted to Management Team by end of October?				-	-	-	Yes
Availability of appropriate electronic media to obtain suggestions to improve service delivery	Investigation into appropriate electronic media to obtain suggestions to improve service delivery completed by June 2013?				-	-	-	Yes

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Employees: ICT Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	-
4 - 6	0	0	0	0	-
7 - 9	0	1	1	0	0%
10 - 12	1	0	0	0	-
13 - 15	2	2	2	0	0%
16 - 18	1	1	1	0	0%
19 - 20	0	0	0	0	-
Total	4	4	4	0	0%

T3.72.4

Financial Performance Year 1: ICT Services					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R 0	R 0	R 0	R 0	
Expenditure:					
Employees	R 1 657	R 1 930	R 1 930	R 2 001	4%
Repairs and Maintenance	R 782	R 1 198	R 1 198	R 1 004	-19%
Other	R 2 284	R 3 616	R 3 616	R 2 340	-55%
Total Operational Expenditure	R 4 723	R 6 745	R 6 745	R 5 345	-26%
Net Operational Expenditure	R 4 723	R 6 745	R 6 745	R 5 345	-26%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

T3.72.5

Capital Expenditure Year 1: ICT Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 659	R 743	R 824	20%	
MS Software	R 174	R 174	R 123	-42%	
PABX Replacements	R 161	R 161	R 160	0%	
TMS Software	R 78	R 78	R 77	-1%	
Xen	R 50	R 60	R 55	9%	
Terminal Replacements	R 77	R 67	R 58	-32%	

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COMMENT ON THE PERFORMANCE OF ICT SERVICES OVERALL:

The IT strategy is aligned with the strategic objectives of Swartland Municipality's Integrated Development Plan (IDP). The IDP objectives are set out below:

- A financially sustainable municipality with well maintained assets
- Satisfied, involved and well informed clients
- An effective, efficient, motivated and appropriately skilled work force
- Access to affordable and reliable municipal infrastructure
- Sustainable development of the municipal area (with special emphasis on previously neglected areas)
- A lean, integrated, stable and corruption free organisation
- Increased community safety through traffic policing, by-law enforcement and disaster management

The ICT services aid and assist in achieving the IDP strategic objectives in the following manner.

- A stable technology environment and infrastructure to support business units and departments in achieving their objectives
- Reduced down time of systems
- Increased support and optimized application and infrastructure resulting in increased productivity within Swartland Municipality
- Secure and govern IT assets
- Reduce cost through IT without compromising support and productivity
- Bring innovation through IT when required to support economic growth

The current capital projects are to upgrade aging infrastructure, to bring down operating and maintenance cost by making use of virtualization and to bring down capital expenditure by making use of equipment with a longer live cycle.

3.73 PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

This component includes: property; legal; risk management and procurement services.

INTRODUCTION TO PROPERTY; LEGAL; RISK MANAGEMENT AND PROCUREMENT SERVICES

The Corporate Services Directorate is responsible for the administration of the Municipality's property portfolio, including the sale and lease of immovable properties and all transactions and contracts relating to same, and to ensure that all related actions and documents are legally compliant.

Legal Services are outsourced but the Directorate assists council, executive structures and the various municipal directorates with, inter alia,

- the interpretation and application of national and provincial legislation;
- policy formulation within the applicable legal frameworks;
- the assessment of legal risks and obtaining legal opinions where necessary; and
- the administration of legal actions and claims on behalf of and against the Municipality.

RISK MANAGEMENT

A fully functional Enterprise Risk Management unit has not been established within Swartland Municipality as it is uneconomical to appoint a fulltime person. However, the appointment of a Chief Risk Officer as a Shared Service between the West Coast District Municipalities to drive enterprise risk management within the

Chapter 3

municipalities has been identified. Risk Management is one of management's core responsibilities and therefore the Internal Audit unit as part of their consulting services, assisted management with the implementation of risk management.

Operational Risk Assessments have been compiled by each Directorate as well as a Strategic Risk Assessment to determine the magnitude of risk exposure by assessing the likelihood of the risk materialising and the impact that it would have on the achievement of objectives. Risk Management has been implemented in a comprehensive and integrated way, throughout the municipality rather than only in selected business areas or disciplines. The identified risks are prioritised which enables management to focus more time, effort and resources on higher risk areas. Identified high risk areas forms part of the IDP and Performance Management system which ensures that it is monitored on a continuous basis. Also refer T2.6.1

PROCUREMENT

Swartland Municipality has a fully functional Supply Chain department. All the various Bid Committees have been established and are functioning. The municipality has implemented an automated Supplier Database, which is updated on a daily basis. An Exception report is available for a specific period for all changes made on the database regarding bank details, tax clearance certificates, declaration of interest, etc. and is utilised by Management to identify any irregular/ unauthorised amendments. A monthly Deviation report is submitted to the CFO and Management Team explanations of all awards made during the previous month where the prescribed SCM processes could not be followed due to certain circumstances such as emergencies, sole supplier, etc.

Long outstanding requisitions and orders are monitored by means of available system reports and forms part of the monthly performance management of the CFO. Delays are communicated to the users.

Chapter 3

Property; Legal; Risk Management; and Procurement Services Policy Objectives Taken From IDP								
Performance Objectives	Key Performance Indicator	2010/11			2011/12			2012/13
		Target	Actual	Score	Target	Actual	Score	Target
Universal indicators								
None								
Indicators from IDP (from 2012/13 only)								
Assist new businesses to establish in the area	% of municipal goods and services procured from local businesses				-	-	-	Determine target and Measure with effect from 1 July 2012
Revisit Risk Management Framework	Framework finalised				-	-	-	By July 2012
Identify risks affecting the organisation	Updated risk assessment (strategic and operational)				-	-	-	By Aug 2012
Regular monitoring and evaluation of risk assessments	Updating of measurements according to controls implemented				-	-	-	Bi-annually for 2012/13 and 2013/14 Quarterly from 2014/15
Compile RBAP according to updated risk assessments	RBAP updated				-	-	-	Annually
Secure a realistic amount on the annual budget for municipal buildings and facilities	Amount allocated for buildings and facilities in terms of depreciated value of assets must be made available for upgrading and refurbishment				-	-	-	100% by 2016
Indicators from IDP (from 2011/12)								
Ensure consistent and accurate performance monitoring	Performance measurement tabled at Audit Committee in Qtr 1 and Qtr 3?				Yes	Yes	3	Yes
Ensure that management is aware of all audit related issues	Number of months during which reports were submitted				12	12	3	-
	Monthly reports regarding internal audit activities submitted to the Municipal Manager?				-	-	-	Yes

Chapter 3

Ensure that the Audit Committee is informed of all audit (AG and internal) as well as evaluation reports regarding compliance, controls and risk management	Number of reports submitted to Audit Committee				4	4	3	-
	Reports submitted to Audit Committee regarding risks affecting the Municipality to ensure opinion on combined assurance to Council?				-	-	-	Yes
Ensure that the Audit Committee function as per legislation	Number of Audit Committee meetings correctly administered				4	4	3	-
	Audit Committee meetings correctly administered?				-	-	-	Yes
Continuously update the risk profile of the Municipality	Compilation of Risk Based Audit Plan (RBAP) completed by end of July and approved by the Audit Committee in Quarter 1?				Yes	Yes	3	Yes
Reduce risks through the execution of the appropriate RBAP and recommendation of adequate controls	% implementation of the RBAP				60% for the year	61% for the year	3	80% for the year
	% of outstanding internal audit findings addressed according to scheduled deadlines				-	-	-	100%
Ensure proper identification of risks in the Municipality	Annual review and update of risk assessment done by end of May?				Yes	Yes	3	-
	Quarterly review and update of risk assessment of all directorates done?				-	-	-	Yes
MFMA Section 131(1): Ensure effective liaison with the Auditor-General and coordination of the implementation of the AG's findings	% of Auditor General requests for documents and information effectively obtained and submitted (Audit File)				100%	100%	3	100%
	% of outstanding findings addressed according to schedule deadlines				100%	95%	3	100%
Ensure up to date policies	Annual review of policies done?				-	-	-	Yes

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Ensure that council buildings remain functional	% of the operating budget for maintenance of council buildings spent				100%	99.8% for the year	3	100%
	% of the operating budget for the maintenance of Council houses spent				200%	99.5% for the year	3	100%
	% complaints/requests addressed responded to within 24 hours				100%	100%	3	100%
Complete road markings on time	% of the operating budget for road markings spent				100%	88.6% for the year	2.7	100%
	% of road markings work schedule completed				100%	98.6% for the year	3	100%
	% of requests / complaints addressed within 2 weeks				100%	100%	3	100%
Effectively execute maintenance projects	% of planned and/or unforeseen maintenance projects of council buildings completed				90%	95.8% for the year	3.2	90%
	% of planned and/or unforeseen maintenance projects of council houses completed				90%	100%	3.3	90%
Ensure effective rental management	Annual review of rental policies completed by end of May?				Yes	Yes	3	Yes
	Quarterly report on the disposal and letting of municipal immovable property submitted to Provincial Treasury?				-	-	-	Yes
Ensure that hall facilities are available as requested	% of times per month that halls were available on determined standards				100%	100%	3	100%
Adequately maintain facility infrastructure	Annual maintenance audit completed by December?				Yes	Yes	3	Yes
Ensure that annual rental rates comply with legislation	Annual revision of rental rates finalised by end of May?				Yes	Yes	3	-

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Employees: Property; Legal; Risk Management; and Procurement Services					
Job Level	Year 0	Year 1			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	-
4 - 6	7	8	7	1	13%
7 - 9	2	2	2	0	0%
10 - 12	2	3	3	0	0%
13 - 15	3	3	3	0	0%
16 - 18	0	0	0	0	-
19 - 20	0	0	0	0	-
Total	14	16	15	1	6%

T3.73.4

Financial Performance Year 1: Property; Legal; Risk Management; and Procurement Services					
R'000					
Details	Year 0	Year 1			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
Total Operational Revenue	R 204 458	R 186 000	R 186 000	R 197 939	6%
Expenditure:					
Employees	R 4 702 035	R 5 331 410	R 5 331 410	R 5 183 543	-3%
Repairs and Maintenance	R 49 367	R 29 100	R 29 100	R 23 847	-22%
Other	R 852 605	R 1 369 864	R 1 549 864	R 1 209 194	-13%
Total Operational Expenditure	R 5 604 007	R 6 730 374	R 6 910 374	R 6 416 583	-5%
Net Operational Expenditure	R 5 399 549	R 6 544 374	R 6 724 374	R 6 218 644	-5%
Net expenditure to be consistent with summary table T5.1.2 in Chapter 5. Variances are calculated by dividing the difference between the Actual and Original Budget by the Actual.					

T3.73.5

Capital Expenditure Year 1: Property; Legal; Risk Management; and Procurement Services					
R' 000					
Capital Projects	Year 1				
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Total All	R 100 000	R 100 000	R 55 154	-81%	
Equipment Corporate: Buildings & Swartland Halls	R 100 000	R 100 000	R 55 154	-81%	
Total project value represents the estimated cost of the project on approval by council (including past and future expenditure as appropriate).					

T3.73.6

Chapter 4

CHAPTER 4 – ORGANISATIONAL DEVELOPMENT PERFORMANCE

INTRODUCTION

Swartland Municipality aims to ensure service delivery of the best possible quality for all the inhabitants of the Municipality. To achieve this, a prime goal of the Municipality's Human Resource Strategy is: **To create a flexible organisation that enables optimal performance by developing and retaining a properly skilled and representative workforce.** Swartland Municipality considers its human resources as one of its most critical assets. This chapter will focus on some of the key issues relating to human resources and other organizational management issues. Issues which will be addressed includes the staffing rate of the municipality, personnel cost, the status quo of retirement funds and medical aid schemes, human resource policies and practices, as well as the remuneration of senior officials and councillors.

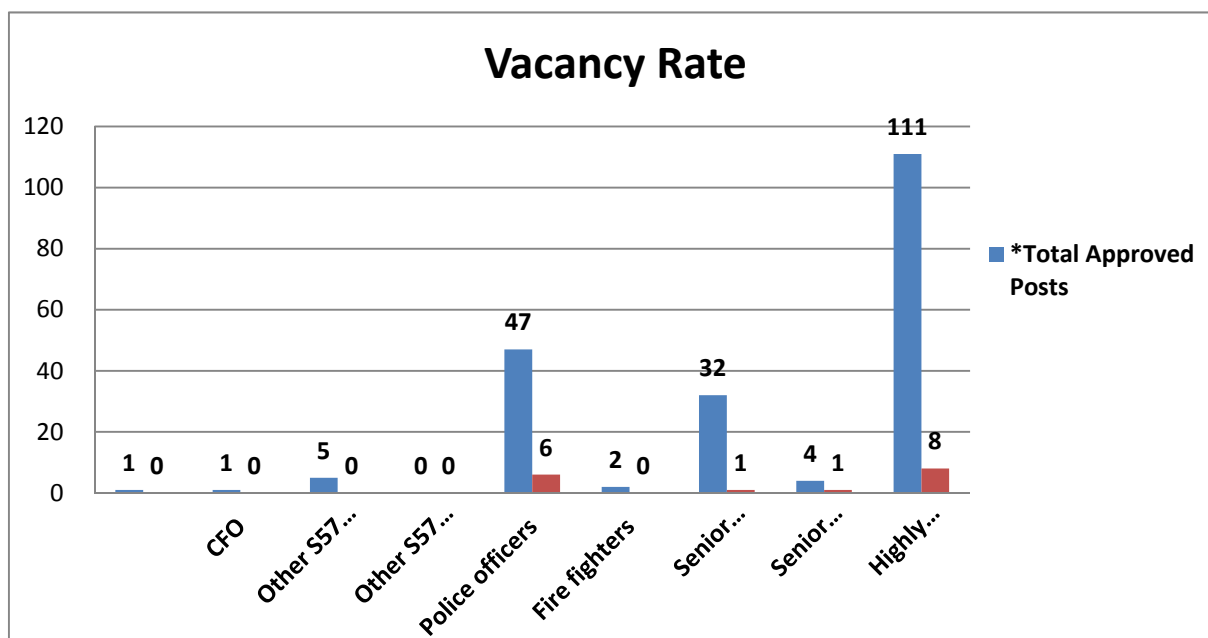
COMPONENT A: INTRODUCTION TO THE MUNICIPAL PERSONNEL

4.1 EMPLOYEE TOTALS, TURNOVER AND VACANCIES

Employees					
Description	Year 0	Year 1			
	Employees	Approved Posts	Employees	Vacancies	Vacancies
	No.	No.	No.	No.	%
Water	45	45	43	2	4%
Waste Water (Sanitation)	24	28	25	3	11%
Electricity	38	40	40	0	0%
Waste Management	64	68	66	2	3%
Housing	3	3	3	0	0%
Waste Water (Stormwater Drainage)	23	24	21	3	13%
Roads	47	52	52	0	0%
Transport	0	0	0	0	-
Planning	9	10	10	0	0%
Local Economic Development	1	1	1	0	0%
Libraries, Archives, Museums, Galleries & Community Facilities	59	60	60	0	0%
Child Care, Aged Care & Social Programmes	4	7	5	2	29%
Pollution Control	0	0	0	0	-
Bio Diversity, Landscape & Other	0	0	0	0	-
Clinics	0	0	0	0	-
Ambulances	0	0	0	0	-
Occupational & Environmental Health, Non Related Health	2	2	2	0	0%
Traffic Policing and By-Law Enforcement	67	74	66	8	11%
Fire Services	2	2	2	0	0%
<i>Disaster Management</i>					0

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Vacancy Rate: Year 1			
Designations	*Total Approved Posts No.	*Vacancies (Total time that vacancies exist using fulltime equivalents) No.	*Vacancies (as a proportion of total posts in each category) %
Municipal Manager	1	0	0%
CFO	1	0	0%
Other S57 Managers (excluding Finance Posts)	5	0	0%
Other S57 Managers (Finance posts)	0	0	-
Police officers	47	6	13%
Fire fighters	2	0	0%
Senior management: Levels 13-15 (excluding Finance Posts)	32	1	3%
Senior management: Levels 13-15 (Finance posts)	4	1	25%
Highly skilled supervision: levels 9-12 (excluding Finance posts)	111	8	7%
Highly skilled supervision: levels 9-12 (Finance posts)	6	0	0%
Total	209	16	8%



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Turn-over Rate			
Details	Total Appointments as of beginning of Financial Year No.	Terminations during the Financial Year No.	Turn-over Rate*
2009/10	541	31	6%
2010/11	534	27	5%
2011/12	540	26	5%

COMMENT ON VACANCIES AND TURNOVER:

Swartland Municipality has a very low staff turnover of 5%. No section 57, senior management and highly skilled supervision vacancies existed during the reporting year.

COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE

INTRODUCTION TO MUNICIPAL WORKFORCE MANAGEMENT

Note: MSA 2000 S67 requires municipalities to develop and adopt appropriate systems and procedures to ensure fair; efficient; effective; and transparent personnel administration in accordance with the Employment Equity Act 1998.

Policies are not static documents and therefore have to be revised regularly. During the 2010/11 period a process involving all stakeholders, namely employer, councillors and unions, was followed where the following policies were revised, namely the Recruitment and Selection Policy, Telephone Policy, Leave Policy and the Overtime Policy. These revised policies were adopted by the Executive Mayoral Committee with effect from 1 October 2011, with the exception of the Telephone Policy that was adopted by the Executive Mayoral Committee with effect from 1 September 2011. During the same process, a new Disability Policy was also adopted with effect from 1 October 2011.

4.2 POLICIES

HR Policies and Plans				
	Name of Policy	Completed %	Reviewed %	Date adopted by council or comment on failure to adopt
1	Acting Allowance	100%		2011-10-01
2	Alcohol and Drug Policy & Procedure	100%		2007-07-01
3	Code of Conduct for employees	100%		Part of Municipal Systems Act
4	Delegations, Authorisation & Responsibility	100%	100%	2012-05-31
5	Disability	100%		2011-10-01
6	Disciplinary Code and Procedures	100%		Collective Agreement
7	Essential Services	0%		
8	Employee Assistance / Wellness	50%		In process of compiling new policy
9	Employment Equity	100%		2009-02-11
10	Exit Management	0%		
11	Gift Policy	100%		2010-08-01
12	Grievance Procedures	100%		Part of Main Collective Agreement

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13	HIV/Aids	0%		
14	Human Resource and Development	0%		
15	Information Technology	100%	100%	2012-07-01
16	Job Evaluation	0%		
17	Leave	100%		2011-10-01
18	Occupational Health and Safety			
19	Official Housing	100%	100%	2009-11-01
20	Official Journeys	100%	100%	2012-03-01
21	Official transport to attend Funerals	0%		
22	Overtime	100%		2011-10-01
23	Organisational Rights	100%		Part of Main Collective Agreement
24	Outside Work	100%	50%	2007-08-15
25	Payroll Deductions	100%		Part of Main Collective Agreement
26	Performance Management and Development	0%		
27	Recruitment, Selection and Appointments	100%	100%	2011-10-01
28	Remuneration Scales and Allowances	0%		
29	Resettlement	0%		
30	Sexual Harassment	100%		2010-03-01
31	Skills Development	0%		
32	Smoking	100%	50%	2010-03-01
33	Study Bursary	100%		2010-03-01
34	Work Organisation	0%		
35	Uniforms and Protective Clothing	100%	100%	2012-07-01
36	Other:			
Use name of local policies if different from above and at any other HR policies not listed.				T4.2.1

COMMENT ON WORKFORCE POLICY DEVELOPMENT:

Policies are not static documents and therefore have to be revised regularly. During the 2010/11 period a process involving all stakeholders, namely employer, councillors and unions, was followed where the following policies were revised, namely the Recruitment and Selection Policy, Telephone Policy, Leave Policy and the Overtime Policy. These revised policies were adopted by the Executive Mayoral Committee with effect from 1 October 2011, with the exception of the Telephone Policy that was adopted by the Executive Mayoral Committee with effect from 1 September 2011. During the same process, a new Disability Policy was also adopted with effect from 1 October 2011.

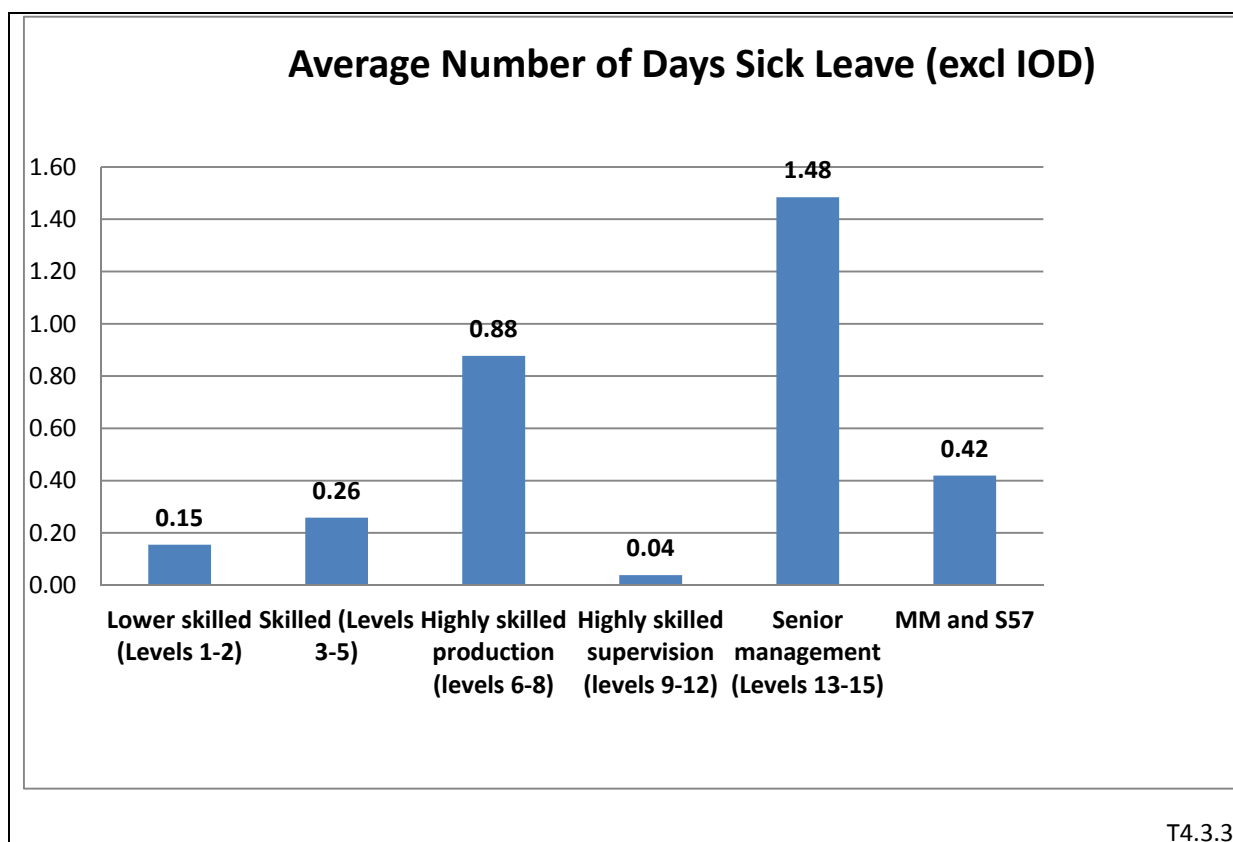
4.3 INJURIES, SICKNESS AND SUSPENSIONS

Number and Cost of Injuries on Duty					
Type of injury	Injury Leave Taken Days	Employees using injury leave No.	Proportion employees using sick leave %	Average Injury Leave per employee Days	Total Estimated Cost R'000
Required basic medical attention only	353	37	10.48%	10	R 0
Temporary total disablement	0				
Permanent disablement	0			0	
Fatal	0			0	
Total	353	37	10.48%	71	R 0
					T4.3.1

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Number of days and Cost of Sick Leave (excluding injuries on duty)						
Salary band	Total sick leave	Proportion of sick leave without medical certification	Employees using sick leave	Total employees in post*	*Average sick leave per Employees	Estimated cost
	Days	%	No.	No.	Days	R' 000
Lower skilled (Levels 1-2)	24	90%	10	30	0.15	R 30
Skilled (Levels 3-5)	40			22	0.26	
Highly skilled production (levels 6-8)	136			58	0.88	
Highly skilled supervision (levels 9-12)	6	95%	2	26	0.04	R 31
Senior management (Levels 13-15)	230			11	1.48	
MM and S57	65			8	0.42	
Total	501	93%	12	155	3.23	R 61
* - Number of employees in post at the beginning of the year						
*Average is calculated by taking sick leave in column 2 divided by total employees in column 5						

T4.3.2



COMMENT ON INJURY AND SICK LEAVE:

The percentage of employees absent due to sick leave and injury on duty is monitored on a monthly basis and is also part of the performance management system. Whenever the figure exceeds 3%, measures are put in place to address problem areas. Levels of absenteeism due to these reasons are relatively low with an average

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absenteeism for the period 2011/12 for sick leave being 2.6% and for injury on duty 0.2%. All injuries are investigated thoroughly and if necessary, the Health and Safety Officer addresses the problem areas through training and counselling. Injuries are examined by the municipality's own doctor, and where long or regular periods of sick leave are taken, prognosis reports are requested in order to determine the employees' fitness for duty.

COMMENT ON SUSPENSIONS AND CASES OF FINANCIAL MISCONDUCT:

There were no suspension of more than 4 months and any cases of financial misconduct within Swartland Municipality.

4.4 PERFORMANCE REWARDS

No performance rewards are paid to any staff member of Swartland Municipality.

COMPONENT C: CAPACITATING THE MUNICIPAL WORKFORCE

INTRODUCTION TO WORKFORCE CAPACITY DEVELOPMENT

Note: MSA 2000 S68 (1) requires municipalities to develop their human resource capacity to a level that enables them to perform their functions and exercise their powers in an economical, effective, efficient and accountable way.

Swartland Municipality recognizes the obligations placed on it by the Skills Development Act to train and develop employees. In order to empower its employees and enhance its human capital, the Municipality provides various learning and development opportunities for employees and councillors. The Workplace Skills Plan of the Municipality has been submitted to the Local Government SETA and annual implementation reports submitted. During 2010/2011 R66 072.00 was spent on bursaries for existing staff. A study bursary scheme is in place where existing staff can enhance their qualifications.

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4.5 SKILLS DEVELOPMENT AND TRAINING

Skills Matrix														
Management level	Gender	Employees in post as at 30 June Year 1	Number of skilled employees required and actual as at 30 June Year 1											
			Learnerships			Skills programmes & other short courses			Other forms of training			Total		
		No.	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target	Actual: End of Year 0	Actual: End of Year 1	Target
MM and s57	Female	1		1	1								1	1
	Male	6		6	6								6	6
Councillors, senior officials and managers	Female													
	Male													
Technicians and associate professionals*	Female	12		5	10								5	10
	Male	19		5	10	0	2	2					7	12
Professionals	Female	6		6	6								6	6
	Male	14		10	14	0	2	2					12	16
Sub total	Female	19		12	17								12	17
	Male	39		21	30		4	4					25	34
Total		58		33	47		4	4		0	0		37	51

*Registered with professional Associate Body e.g CA (SA)

T4.5.1

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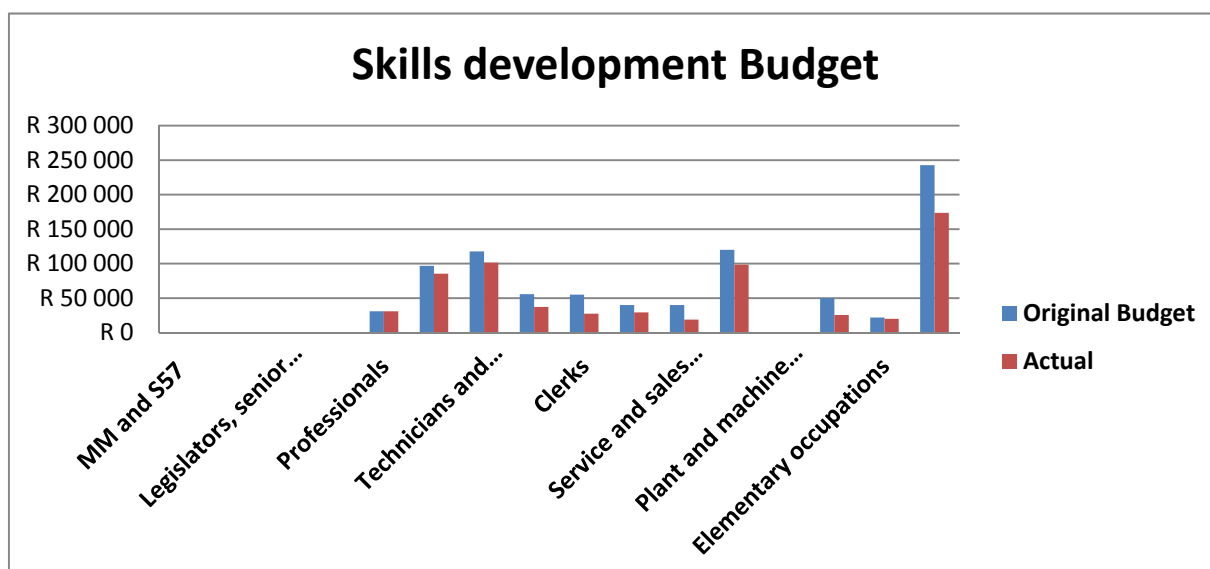
Financial Competency Development: Progress Report*						
Description	A. Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	B. Total number of officials employed by municipal entities (Regulation 14(4)(a) and (c))	Consolidated: Total of A and B	Consolidated: Competency assessments completed for A and B (Regulation 14(4)(b) and (d))	Consolidated: Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Consolidated: Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials						
Accounting officer	1	0	1	0	1	0
Chief financial officer	1	0	1	0	1	0
Senior managers	5	0	5	0	5	0
Any other financial officials	69	0	69	0	0	0
Supply Chain Management Officials						
Heads of supply chain management units	1	0	1	0	0	0
Supply chain management senior managers	0	0	0	0	0	0
TOTAL	77	0	77	0	7	0
* This is a statutory report under the National Treasury: Local Government: MFMA Competency Regulations (June 2007)						

T4.5.2

Skills Development Expenditure										
Management level	Gender	Employees as at the beginning of the financial year	Original Budget and Actual Expenditure on skills development Year 1							
			Learnerships		Skills programmes & other short courses		Other forms of training		Total	
		No.	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual	Original Budget	Actual
MM and S57	Female	1								
	Male	6								
Legislators, senior officials and managers	Female									
	Male									

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Professionals	Female	6	R30 900	R30 900					R30 900	R30 900
	Male	14	R61 800	R61 800	R35 000	R23 600			R96 800	R85 400
Technicians and associate professionals	Female	12	R92 700	R92 700	R25 000	R8 850			R117 700	R101 550
	Male	19	R30 900	R30 900	R25 000	R6 320			R55 900	R37 220
Clerks	Female	74			R55 000	R27 430			R55 000	R27 430
	Male	34			R40 000	R29 330			R40 000	R29 330
Service and sales workers	Female	16			R40 000	R19 019			R40 000	R19 019
	Male	55			R120 000	R98 490			R120 000	R98 490
Plant and machine operators and assemblers	Female	0								
	Male	71			R50 000	R25 756			R50 000	R25 756
Elementary occupations	Female	26	R22 000	R20 143					R22 000	R20 143
	Male	200	R162 000	R161 150	R80 730	R12 380			R242 730	R173 530
Sub total	Female	135	R145 600	R143 743	R120 000	R55 299			R265 600	R199 042
	Male	399	R254 700	R253 850	R350 730	R195 876			R605 430	R449 726
Total		534	R400 300	R397 593	R470 730	R251 175	R0	R0	R871 030	R648 768
*% and *R value of municipal salaries (original budget) allocated for workplace skills plan.									0.6%*	*R654730
T4.5.3										



COMMENT ON SKILLS DEVELOPMENT AND RELATED EXPENDITURE AND ON THE FINANCIAL COMPETENCY REGULATIONS:

The Municipal Finance Management Act (MFMA) prescribes that all senior managers and financial officials of municipalities adhere to the Minimum Competency Regulations by 1 January 2013. The Municipal Finance Management Programme is therefore a training course that was compiled specifically in terms of the MFMA to enable senior managers and financial officials to adhere to the minimum competencies. The Stellenbosch University was appointed as the service provider to conduct the Municipal Finance Management Programme in the West Coast Region. Swartland Municipality enrolled 26 employees on the programme. The last group will finish the programme on 21 November 2012. With regard to the figures in Table 4.5.3 a total amount of R309 000 was spent on the Municipal Finance Management Programme (this includes the training for 3 Financial Management Interns). This expenditure was made outside of the normal training budget and was made from

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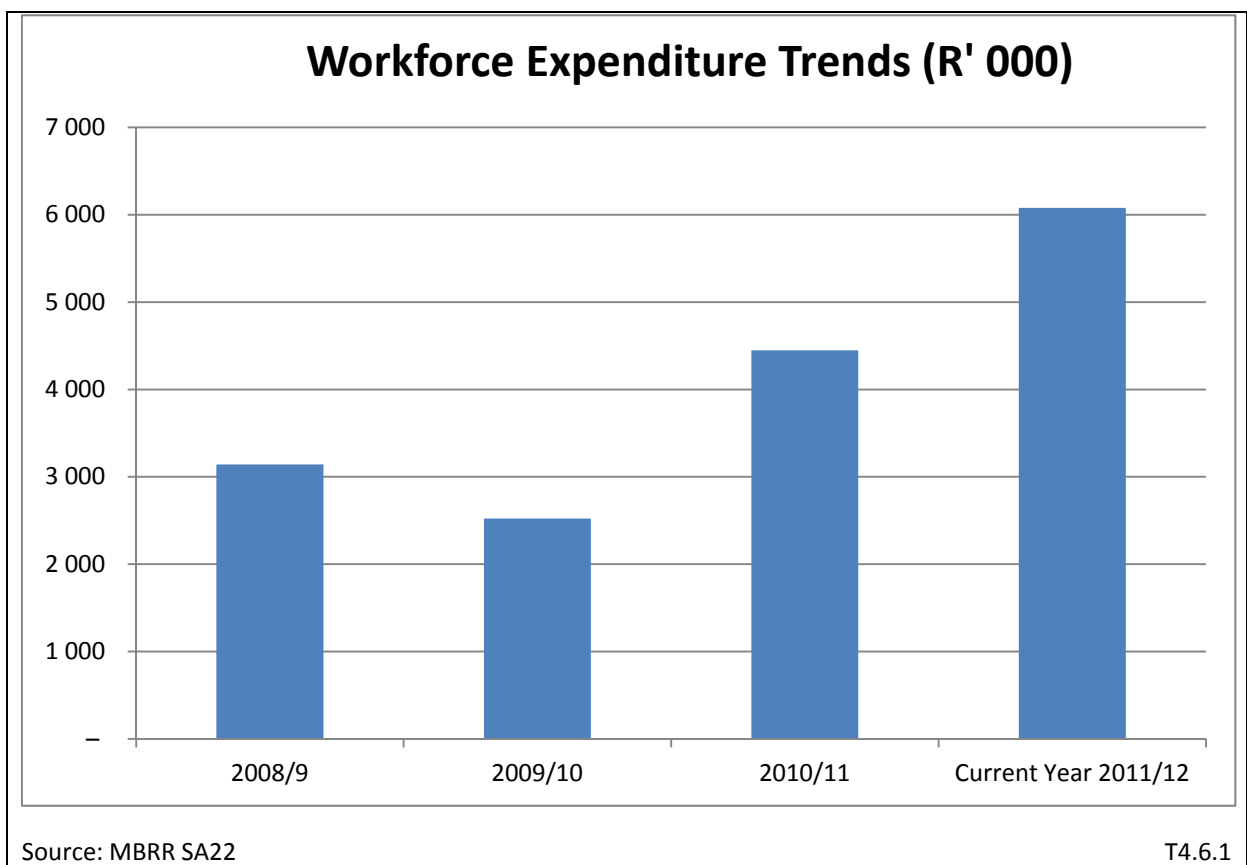
the Financial Management Grant. This was also done outside of the Workplace Skills Plan, although this extra expenditure was reported to the LGSETA in the Annual Training Report.

COMPONENT D: MANAGING THE WORKFORCE EXPENDITURE

INTRODUCTION TO WORKFORCE EXPENDITURE

Workforce expenditure is managed effectively, through regular (monthly) budget control meetings to discuss expenditure and rectify any overspending. No appointments are made unless the posts are funded and vacant on the post establishment. In order to obtain value for money from work force expenditure, the mandate for appointment is to appoint the candidate on the minimum notch of the scale unless motivation exists for appointment on a higher notch. The consultation for appointment on a higher notch is done by the Manager: Human Resources and the director concerned. Should consensus not be reached, there should be a cooling-down period of forty-eight (48) hours after which further consultation should take place to reach consensus. Consensus must be reached after the cooling-down period has elapsed.

4.6 EMPLOYEE EXPENDITURE



Chapter 4

Employees Whose Salary Levels Exceed The Grade Determined By Job Evaluation				
Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
General Assistant	2	3	5	Implementation of TASK (Contractual to incumbent)
General Assistant	2	3	8	Implementation of TASK (Contractual to incumbent)
Access Control Officer	1	4	6	Implementation of TASK (Contractual to incumbent)
Meter Reader	1	5	6	Implementation of TASK (Contractual to incumbent)
Cashier	1	5	7	Implementation of TASK (Contractual to incumbent)
Clerk	1	5	7	Implementation of TASK (Contractual to incumbent)
Clerk	2	5	8	Implementation of TASK (Contractual to incumbent)
Secretary	1	6	7	Implementation of TASK (Contractual to incumbent)
Senior Clerk	26	6	7	Implementation of TASK (Contractual to incumbent)
Library Assistant	1	6	8	Implementation of TASK (Contractual to incumbent)
Senior Clerk	12	6	8	Implementation of TASK (Contractual to incumbent)
Senior Meter Reader	1	6	8	Implementation of TASK (Contractual to incumbent)
Senior Clerk	1	6	9	Implementation of TASK (Contractual to incumbent)
Executive Secretary	2	7	8	Implementation of TASK (Contractual to incumbent)
Principal Clerk	2	7	8	Implementation of TASK (Contractual to incumbent)
Senior Storeman	1	7	8	Implementation of TASK (Contractual to incumbent)
Senior Word Processor Operator	1	7	8	Implementation of TASK (Contractual to incumbent)
Supervisor	1	7	8	Implementation of TASK (Contractual to incumbent)
Principal Clerk	1	7	9	Implementation of TASK (Contractual to incumbent)
Principal Clerk	1	7	10	Implementation of TASK (Contractual to incumbent)
Principal Clerk	2	7	11	Implementation of TASK (Contractual to incumbent)
Process Controller	1	7	12	Implementation of TASK (Contractual to incumbent)
Chief Clerk	1	8	10	Implementation of TASK (Contractual to incumbent)
Technical Assistant	1	8	10	Implementation of TASK (Contractual to incumbent)
Administrative Assistant	1	8	11	Implementation of TASK (Contractual to incumbent)
Chief Clerk	2	8	11	Implementation of TASK (Contractual to incumbent)
Technical Assistant	1	8	11	Implementation of TASK (Contractual to incumbent)
Traffic Officer	1	9	10	Implementation of TASK (Contractual to incumbent)
Harbour Master	1	9	11	Implementation of TASK (Contractual to incumbent)
Personal Assistant to the MM	1	10	11	Implementation of TASK (Contractual to incumbent)
Senior Foreman	2	10	11	Implementation of TASK (Contractual to incumbent)
Senior Foreman	1	10	12	Implementation of TASK (Contractual to incumbent)
Manager Strategic Services	1	16	18	Implementation of TASK (Contractual to incumbent)
T4.6.3				

Chapter 4

Employees appointed to posts not approved				
Department	Level	Date of appointment	No. appointed	Reason for appointment when no established post exist
None				
				T4.6.4

COMMENT ON UPGRADED POSTS AND THOSE THAT ARE AT VARIANCE WITH NORMAL PRACTICE:

No posts were upgraded and are at variance with normal practice

Chapter 5

CHAPTER 5 – FINANCIAL PERFORMANCE

INTRODUCTION

Chapter 5 contains information regarding financial performance and highlights specific accomplishments. The chapter comprises of three components:

- Component A: Statement of Financial Performance
- Component B: Spending Against Capital Budget
- Component C: Other Financial Matters

The municipality is being subjected to extreme external cost pressures which include the effect of the tariff increases of Eskom, labour collective agreements which results in expenditure increases well above the normal inflation rate, the increased cost of fuel due to the declining currency and higher oil prices etc. The municipality is well aware of the effect of the global economic slowdown and the effect it have on the ability of the consumers to pay for services. The municipality therefore embarked on cost saving measures in its budgeting- and actual processes wherever possible.

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

INTRODUCTION TO FINANCIAL STATEMENTS

The financial statements of the municipality were audited by the Office of the Auditor-General and found to be unqualified with no other matters. Below are high level summaries of the financial results for the financial year.

5.1 STATEMENTS OF FINANCIAL PERFORMANCE

Financial Summary						
Description	Year 0	Current Year: Year 1			Year 1 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Financial Performance						
Property rates	R56 635 979	R58 907 560	R58 907 560	R60 458 431	2.6%	2.6%
Service charges	R179 534 413	R215 194 788	R215 200 788	R210 825 884	-2.1%	-2.1%
Investment revenue	R11 325 914	R16 057 934	R16 057 934	R10 609 144	-51.4%	-51.4%
Transfers recognised - operational	R40 025 984	R37 843 667	R39 851 861	R40 630 455	6.9%	1.9%
Other own revenue	R35 679 583	R30 126 276	R29 414 697	R28 312 718	-6.4%	-3.9%
Total Revenue (excluding capital transfers and contributions)	R323 201 873	R358 130 225	R359 432 841	R350 836 632	-2.1%	-2.5%
Employee costs	R100 687 815	R110 558 707	R110 558 707	R110 426 517	-0.1%	-0.1%
Remuneration of councillors	R5 284 578	R6 554 390	R6 554 390	R6 619 179	1.0%	1.0%
Depreciation & asset impairment	R64 935 268	R78 957 578	R78 957 578	R67 006 353	-17.8%	-17.8%
Finance charges	R6 269 675	R16 056 547	R15 029 957	R5 254 722	-205.6%	-186.0%
Materials and bulk purchases	R100 398 750	R127 498 982	R127 498 982	R122 558 351	-4.0%	-4.0%
Transfers and grants	R1 084 029	R1 296 060	R1 296 060	R1 230 755	-5.3%	-5.3%
Other expenditure	R70 459 638	R76 065 202	R82 674 637	R72 132 028	-5.5%	-14.6%
Total Expenditure	R349 119 753	R416 987 466	R422 570 311	R385 227 905	-8.2%	-9.7%

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Surplus/(Deficit)	-R25 917 880	-R58 857 241	-R63 137 471	-R34 391 273	-71.1%	-83.6%
Transfers recognised - capital	R35 385 402	R13 224 000	R14 046 000	R15 938 400	17.0%	11.9%
Contributions recognised - capital & contributed assets	R0	R0	R0			
Surplus/(Deficit) after capital transfers & contributions	R9 467 522	-R45 633 241	-R49 091 471	-R18 452 873	-147.3%	-166.0%
Share of surplus/ (deficit) of associate	R0	R0	R0			
Surplus/(Deficit) for the year	R9 467 522	-R45 633 241	-R49 091 471	-R18 452 873	-147.3%	-166.0%
Capital expenditure & funds sources						
Capital expenditure	R84 873 066	R96 348 657	R99 610 849	R107 848 085	10.7%	7.6%
Transfers recognised - capital	R35 385 402	R13 224 000	R14 046 000	R15 938 400	17.0%	11.9%
Public contributions & donations	R0	R0	R0	R0		
Borrowing	R0	R78 672 814	R41 991 358	R47 343 724	-66.2%	11.3%
Internally generated funds	R49 487 664	R4 451 843	R43 573 491	R44 565 961	90.0%	2.2%
Total sources of capital funds	R84 873 066	R96 348 657	R99 610 849	R107 848 085	10.7%	7.6%
Financial position						
Total current assets	R215 909 145	R238 534 802	R255 964 254	R270 246 813	11.7%	5.3%
Total non current assets	R1 726 072 917	R1 536 522 082	R1 747 559 996	R1 762 109 243	12.8%	0.8%
Total current liabilities	R57 761 454	R52 477 032	R54 140 951	R64 717 238	18.9%	16.3%
Total non current liabilities	R78 116 082	R188 056 364	R187 912 232	R179 987 665	-4.5%	-4.4%
Community wealth/Equity	R1 806 104 526	R1 534 523 488	R1 761 471 067	R1 787 651 153	14.2%	1.5%
Cash flows						
Net cash from (used) operating	R71 158 964	R24 530 636	R37 218 705	R58 583 107	58.1%	36.5%
Net cash from (used) investing	-R150 271 879	-R89 344 921	-R92 607 113	-R34 533 363	-158.7%	-168.2%
Net cash from (used) financing	-R13 743 345	R100 810 116	R100 717 984	R99 758 307	-1.1%	-1.0%
Cash/cash equivalents at the year end	R95 402 748	R195 557 228	R212 573 421	R219 210 799	10.8%	3.0%
Cash backing/surplus reconciliation						
Cash and investments available	R95 402 748	R195 557 229	R212 573 423	R219 210 799	10.8%	3.0%
Application of cash and investments	R153 986 004	R162 492 493	R146 640 996	R185 955 396	12.6%	21.1%
Balance - surplus (shortfall)	-R58 583 256	R33 064 736	R65 932 427	R33 255 403	0.6%	-98.3%
Asset management						
Asset register summary (WDV)	R1 725 591 334	R1 536 041 219	R1 747 079 133	R1 761 651 082	12.8%	0.8%
Depreciation & asset impairment	R64 935 268	R78 957 578	R78 957 578	R67 006 353	-17.8%	-17.8%

Chapter 5

Renewal of Existing Assets	R82 998 989	R96 348 657	R99 610 849	R107 848 085	10.7%	7.6%
Repairs and Maintenance	R15 430 739	R16 802 414	R17 102 414	R15 437 681	-8.8%	-10.8%
Free services						
Cost of Free Basic Services provided	R1 129 956	R859 918	R859 918	R969 000	11.3%	11.3%
Revenue cost of free services provided	R16 066 430	R10 306 305	R10 306 305	R12 190 000	15.5%	15.5%
Households below minimum service level						
Water:	0	0	0	0		
Sanitation/sewerage:	0	0	0	0		
Energy:	1 100	1 116	1 116	0		
Refuse:	0	0	0	0		
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A1						
						T5.1.1

Financial Performance of Operational Services						
Description	Year 0	Year 1			Year 1 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Operating Cost						
Water	R37 445 966	R40 512 410	R41 305 058	R39 085 677	-3.65%	-5.68%
Waste Water (Sanitation)	R18 973 825	R39 895 687	R38 120 931	R23 780 184	-67.77%	-60.31%
Electricity	R109 083 188	R138 224 555	R137 395 521	R133 430 250	-3.59%	-2.97%
Waste Management	R17 263 861	R18 851 147	R18 979 147	R19 098 721	1.30%	0.63%
Housing	R1 113 365	R1 082 961	R1 272 181	R1 123 630	3.62%	-13.22%
Component A: sub-total	R183 880 205	R238 566 760	R237 072 838	R216 518 462	-10.18%	-9.49%
Waste Water (Stormwater Drainage)						
Roads	R43 830 057	R46 666 206	R47 398 795	R46 581 951	-0.18%	-1.75%
Transport						
Component B: sub-total	R43 830 057	R46 666 206	R47 398 795	R46 581 951	-0.18%	-1.75%
Planning	R7 611 431	R8 016 439	R8 916 837	R8 890 793	9.83%	-0.29%
Local Economic Development	R0					
Component B: sub-total	R7 611 431	R8 016 439	R8 916 837	R8 890 793	9.83%	-0.29%
Planning (Strategic & Regulatory)						
Local Economic Development						
Component C: sub-total	R0					
Community & Social Services	R8 357 882	R9 097 663	R9 691 024	R9 582 759	5.06%	-1.13%
Environmental Protection	R0					
Health	R0					

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Security and Safety	R17 325 249	R17 670 860	R18 244 839	R18 760 323	5.81%	2.75%
Sport and Recreation	R11 565 521	R12 289 256	R14 979 587	R13 209 298	6.97%	-13.40%
Corporate Policy Offices and Other	R76 549 408	R84 680 280	R86 266 392	R71 684 319	-18.13%	-20.34%
Component D: sub-total	R113 798 060	R123 738 059	R129 181 842	R113 236 699	-9.27%	-14.08%
Total Expenditure	R349 119 753	R416 987 464	R422 570 312	R385 227 905	-8.24%	-9.69%

In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service as shown in the individual net service expenditure tables in chapter 3. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

T5.1.2

COMMENT ON FINANCIAL PERFORMANCE:

Savings were effected due to vacant posts not being filled immediately and in lesser interest paid for the year than was budgeted for.

5.2 GRANTS

Grant Performance						
Description	Year 0	Year 1			Year 1 Variance	
	Actual	Budget	Adjustments Budget	Actual	Original Budget (%)	Adjustments Budget (%)
Operating Transfers and Grants						
National Government:	R22 384 159	R24 927 000	R23 434 146	R25 307 988	1.51%	7.40%
Local Government Equitable Share	R20 979 199	R22 887 000	R20 585 465	R22 887 000		
Municipal Systems Improvement	R734 794	R790 000	R1 243 351	R821 304		
Finance Management	R670 166	R1 250 000	R1 605 330	R1 599 684		
Levy replacement						
Other transfers/grants [insert description]						
Provincial Government:	R29 226 625	R12 916 667	R16 338 295	R16 484 063		
Community Development: Workers	R57 086	R52 000	R26 000	R23 884		
Housing	R0	R11 577 667	R11 685 667	R0		
Libraries	R585 000	R615 000	R3 823 000	R3 855 917		
Proclaimed Roads Subsidy	R200 000	R172 000	R172 000	R172 000		
Ilinge Lethu Centre	R45 590	R500 000	R137 130	R137 130		
SDF	R0	R0	R147 264	R147 265		
Housing Consumer Education Grant	R36 453	R0	R47 234	R20 037		
Financial Management Support Grant	R0	R0	R300 000	R271 184		
Masterplanning: Sewerage and Stormwater	R150 000	R0	R0	R0		
Sondeza	R0	R0	R0	R100 000		
Electricity Internal Installation: Darling	R1 746 000	R0	R0	R0		
Housing Project : Chatsworth	R26 406 496	R0	R0	R11 756 646		
District Municipality:	R0	R0	R0	R0		
[insert description]						
Other grant providers:	R88 124	R0	R79 420	R0		
Cleanest Town	R88 124	R0	R79 420	R0		
Total Operating Transfers and Grants	R51 698 908	R37 843 667	R39 851 861	R41 792 051		

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

T5.2.1

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COMMENT ON OPERATING TRANSFERS AND GRANTS:

Overall the grants as budgeted for were realised and were expended. However, National Treasury withheld parts of two grants totalling R463 000 due to the municipality not spending it in time.

Grants Received From Sources Other Than Division of Revenue Act (DoRA)						
Details of Donor	Actual Grant Year 0	Actual Grant Year 1	Year 1 Municipal Contribution	Date Grant terminates	Date Municipal contribution terminates	Nature and benefit from the grant received, include description of any contributions in kind
Parastatals						
None						
Foreign Governments/Development Aid Agencies						
None						
Private Sector / Organisations						
Lottery	0	2 455 000	0	2013-06-30		Sport Development
PPC	450		0	2012-06-30		Rural Network Study
Roelkor	89		0	2012-06-30		Sampling Taking Apparatus
C J Pretorius Family Trust		60 000	0	2015-06-30		Traffic Circle
Provide a comprehensive response to this schedule						T5.2.3

COMMENT ON CONDITIONAL GRANTS AND GRANT RECEIVED FROM OTHER SOURCES:

The municipality complied with most of the conditions attached to conditional transfers.

Where the municipality did not comply with the conditions in full, including balances carried forward from the prior year, the amount of unspent grants are reflected in the Statement of Financial Position. This amounts to R4.7m with the Chatsworth Housing Project of R2.9m, the Thusong Centre for R500k and a portion of the National Lottery Grant of R930k being the main unspent grants.

An amount of R438k of the Municipal Systems Improvement Grant as well as R25k of the Finance Management Grant were withheld by the National Treasury, due to the municipality not spending all the grants within stipulated timeframes.

5.3 ASSET MANAGEMENT

INTRODUCTION TO ASSET MANAGEMENT

Assets under the control of each department are being managed by the relevant departmental heads. The Chief Financial Officer is responsible for maintaining an asset register for all assets which qualify to be capitalised.

Asset management is guided by the Asset Management Policy of the municipality. The policy is reviewed on an annual basis as part of the budget policies review process to ensure it complies with the latest requirements of GRAP, audit- and treasury directives.

The municipality is, together with the information systems service provider, busy redeveloping an asset register which integrates with the financial system and which will provide much more up to date information on maintenance and renewal requirements. It is however a very time consuming and slow process due to the many aspects of asset management as well as the requirements of GRAP.

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TREATMENT OF THE THREE LARGEST ASSETS ACQUIRED YEAR 1				
Asset 1				
Name	Sewerage Malmesbury			
Description	Expansion of capacity of Sewerage Plant			
Asset Type	Sewerage Infrastructure			
Key Staff Involved	Director Civil Services and Senior Manager: Technical Services			
Staff Responsibilities	Oversight on the planning and Construction Phase			
	Year -2	Year -1	Year 0	Year 1
Asset Value				51 265 448
Capital Implications	Grants and External Funds			
Future Purpose of Asset	Upgrading of Malmesbury Sewerage Works			
Describe Key Issues	Maintaining the asset in future			
Policies in Place to Manage Asset	Asset Management Policy			

Chapter 5

Asset 2				
Name	Upgrading of Aging Electrical Networks			
Description	Upgrading of Aging Electrical Networks			
Asset Type	Electrical Infrastructure			
Key Staff Involved	Director Electrical Services and Senior manager			
Staff Responsibilities	Oversight on the planning and Construction phase			
	Year -2	Year -1	Year 0	Year 1
Asset Value				8 109 267
Capital Implications	Capital Replacement Fund			
Future Purpose of Asset	Upgrading of Aging Electrical Networks			
Describe Key Issues	Maintaining the asset in future			
Policies in Place to Manage Asset	Asset Management Policy			

Asset 3				
Name	Resealing of Streets: Swartland Area			
Description	Resealing of Streets			
Asset Type	Roads Infrastructure			
Key Staff Involved	Director Civil Services and Senior Manager: Technical Services			
Staff Responsibilities	Oversight on the Planning and Construction Phase			
Asset Value	Year -2	Year -1	Year 0	Year 1
				7 497 763
Capital Implications	Capital Replacement Fund			
Future Purpose of Asset	Good maintained roads			
Describe Key Issues	Maintaining the asset in future			
Policies in Place to Manage Asset	Asset Management Policy			
T5.3.2				

COMMENT ON ASSET MANAGEMENT:

The municipality designed and implemented a system whereby each capital project is measured according to the requirements of the MFMA. The Council only approves projects where the full cost of the project, the future operating costs of the project as well as the effect that the costs associated with the project will have on tax and tariffs were considered by the Council.

Repair and Maintenance Expenditure: Year 1				
	Original Budget	Adjustment Budget	Actual	Budget variance
Repairs and Maintenance Expenditure	16 802 414	17 018 369	15 437 681	8.12%
T5.3.4				

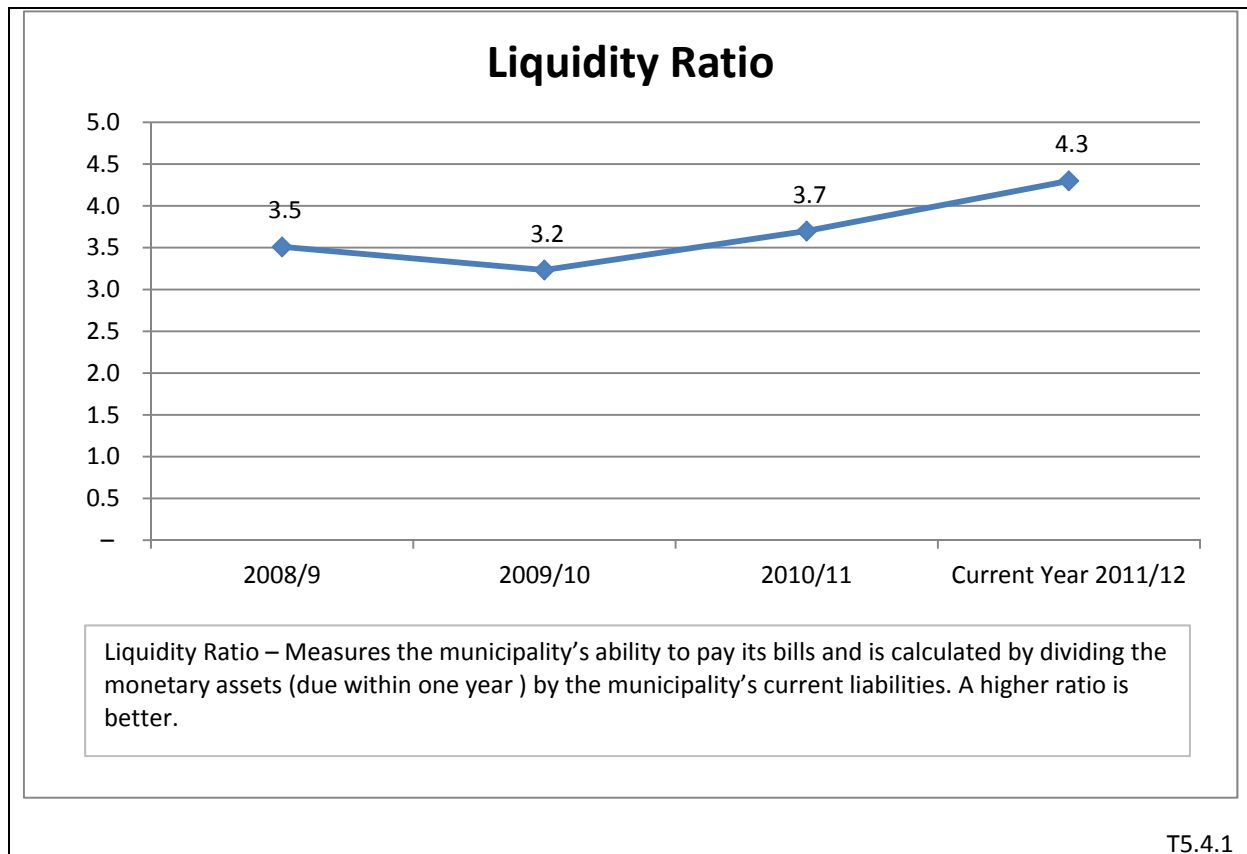
COMMENT ON REPAIR AND MAINTENANCE EXPENDITURE:

Expenditure on repairs and maintenance does not keep track with the increase in asset values as well as the ageing of the infrastructure. The Medium Term Revenue and Expenditure Framework (MTREF) further indicates a decline in the amounts spend on repairs and maintenance as a percentage of total operating expenditure.

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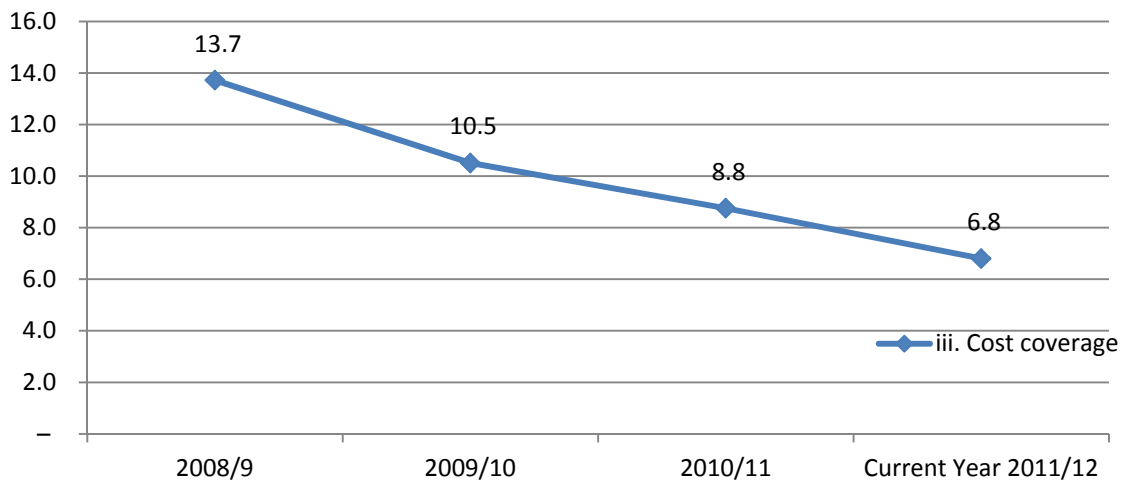
The main reason for these trends is that the municipality is only allowed to budget for increases in line with inflation targets, and other expenditure items over which the municipality has no control, such as collective agreements with unions, are well above the targets, thereby naturally leaving no space for increased expenditure on maintenance. This is an unacceptable situation which the municipality is trying to address by way of a reduction in other “nice-to-have” expenditure items.

5.4 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS



Chapter 5

Cost Coverage

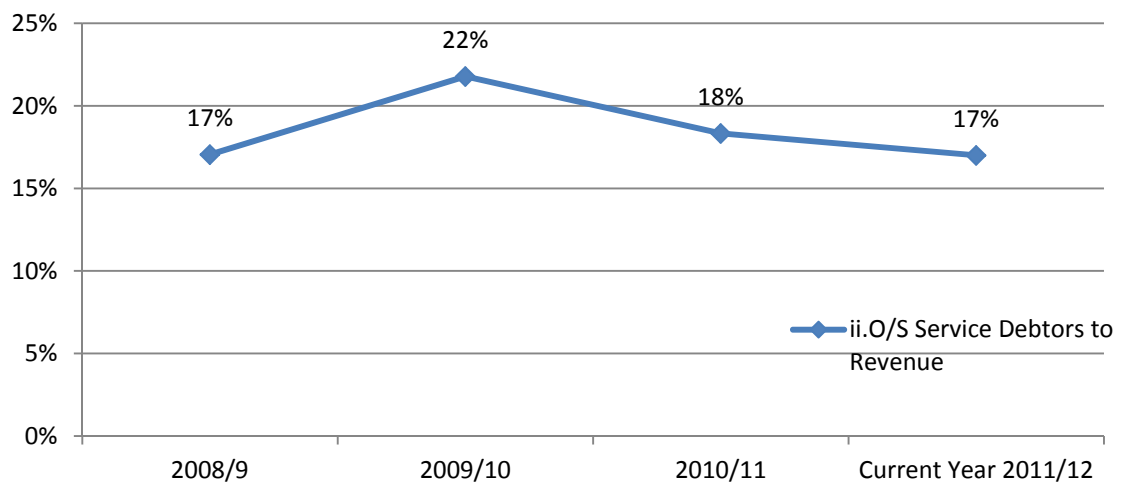


Cost Coverage– It explains how many months expenditure can be covered by the cash and other liquid assets available to the Municipality excluding utilisation of grants and is calculated

Data used from MBRR SA8

T5.4.2

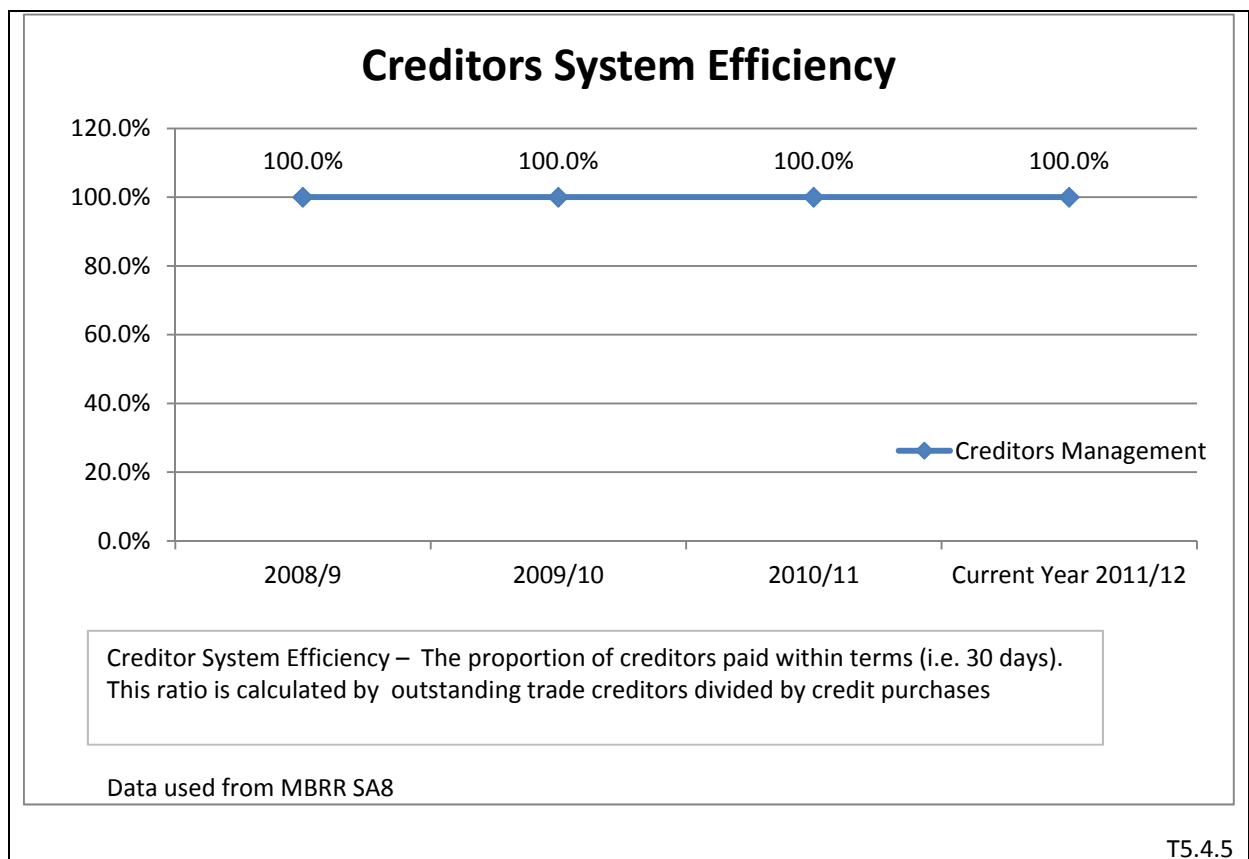
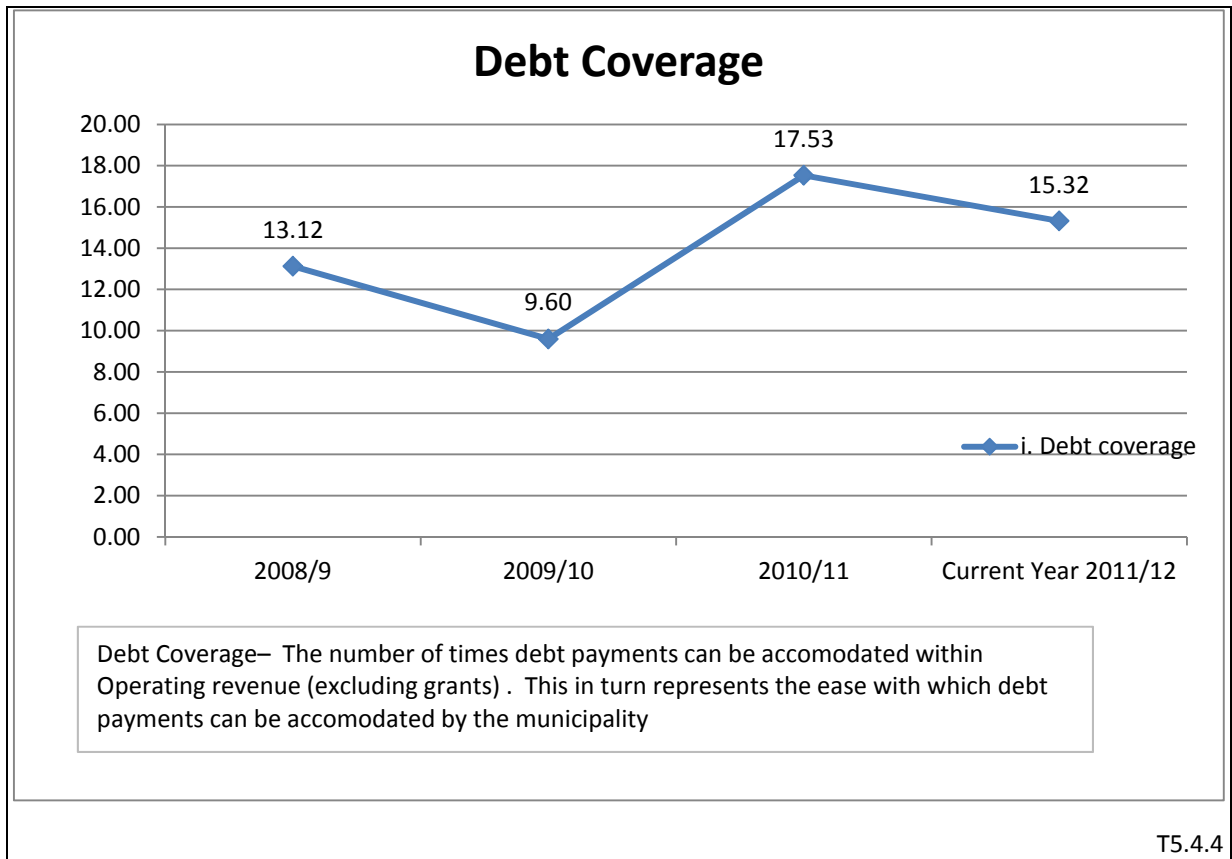
Total Outstanding Service Debtors



Total Outstanding Service Debtors – Measures how much money is still owed by the community for water, electricity, waste removal and sanitation compared to how much money has been paid for these services. It is calculated by dividing the total outstanding debtors by the total annual revenue. A lower score is better.

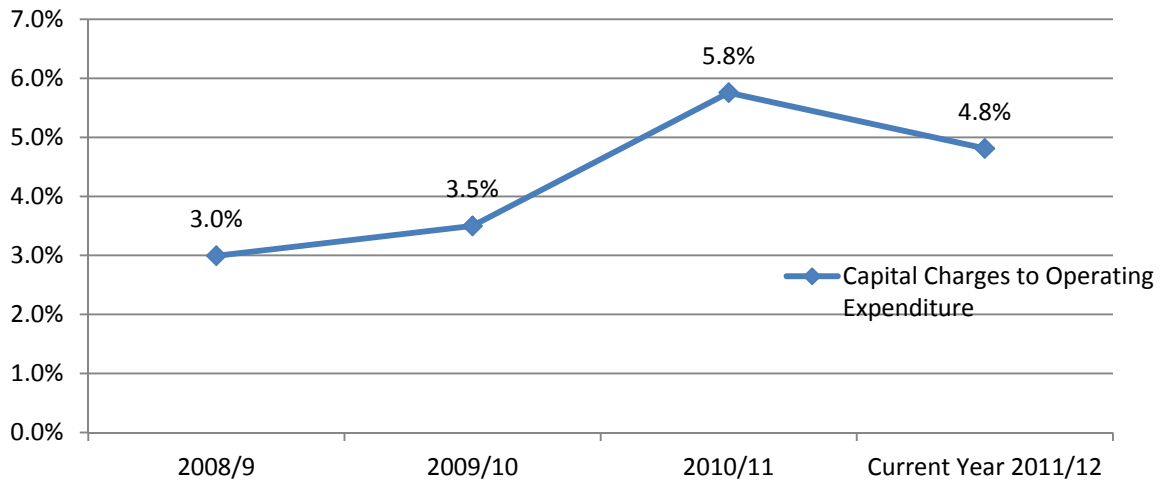
T5.4.3

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Capital Charges to Operating Expenditure

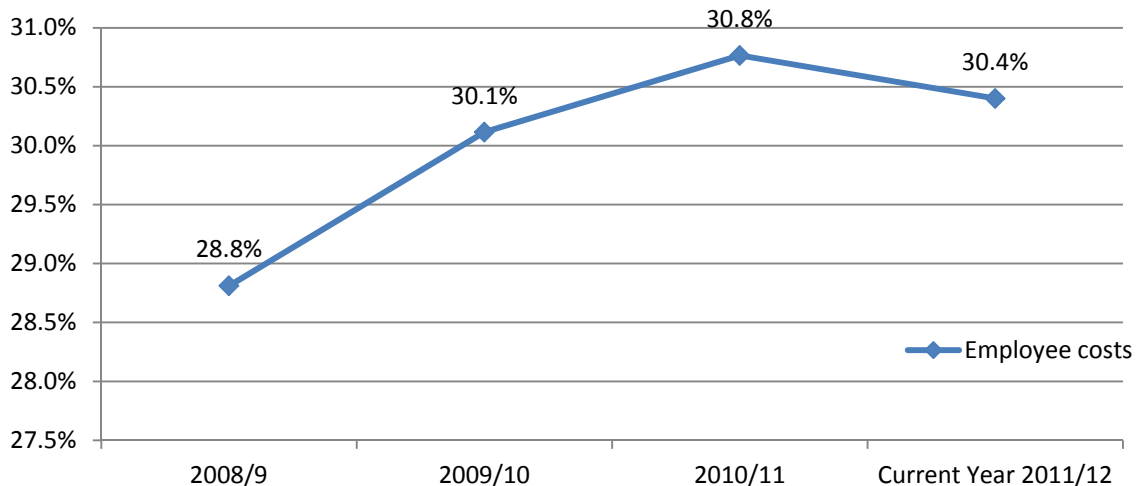


Capital Charges to Operating Expenditure ratio is calculated by dividing the sum of capital interest and principle paid by the total operating expenditure.

Data used from MBRR SA8

T5.4.6

Employee Costs

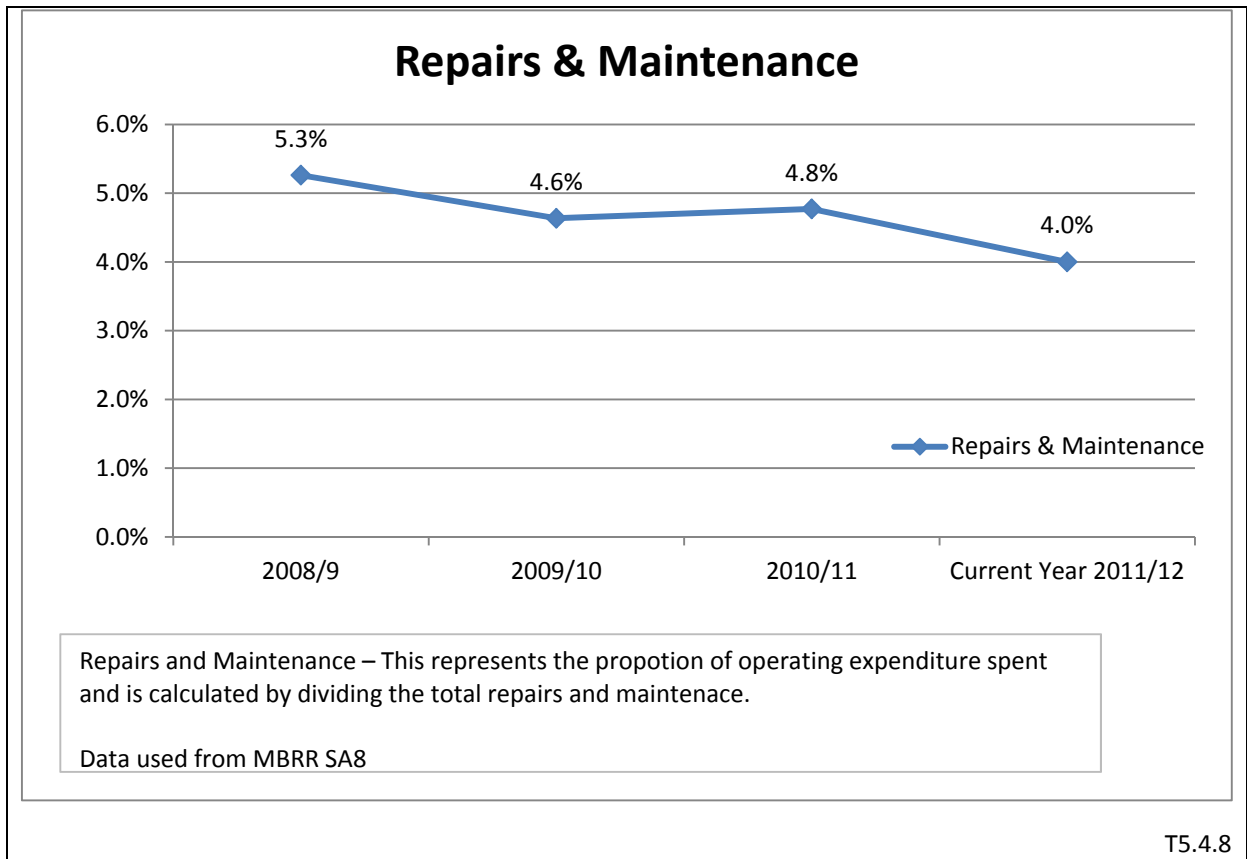


Employee cost – Measures what portion of the revenue was spent on paying employee costs. It is calculated by dividing the total employee cost by the difference between total revenue and capital revenue.

Data used from MBRR SA8

T5.4.7

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COMMENT ON FINANCIAL RATIOS:

As indicated in the financial overview in Chapter 1.4 of this report, the municipality is in a financially healthy position. The Council and Management is well aware of the dangers of lacklustre financial management practices and proactively participates in programs to ensure a financially sustainable municipality.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

INTRODUCTION TO SPENDING AGAINST CAPITAL BUDGET

Capital expenditures relates mainly to construction projects that will have value lasting over many years. Capital expenditure is funded from grants, borrowings and cash surpluses.

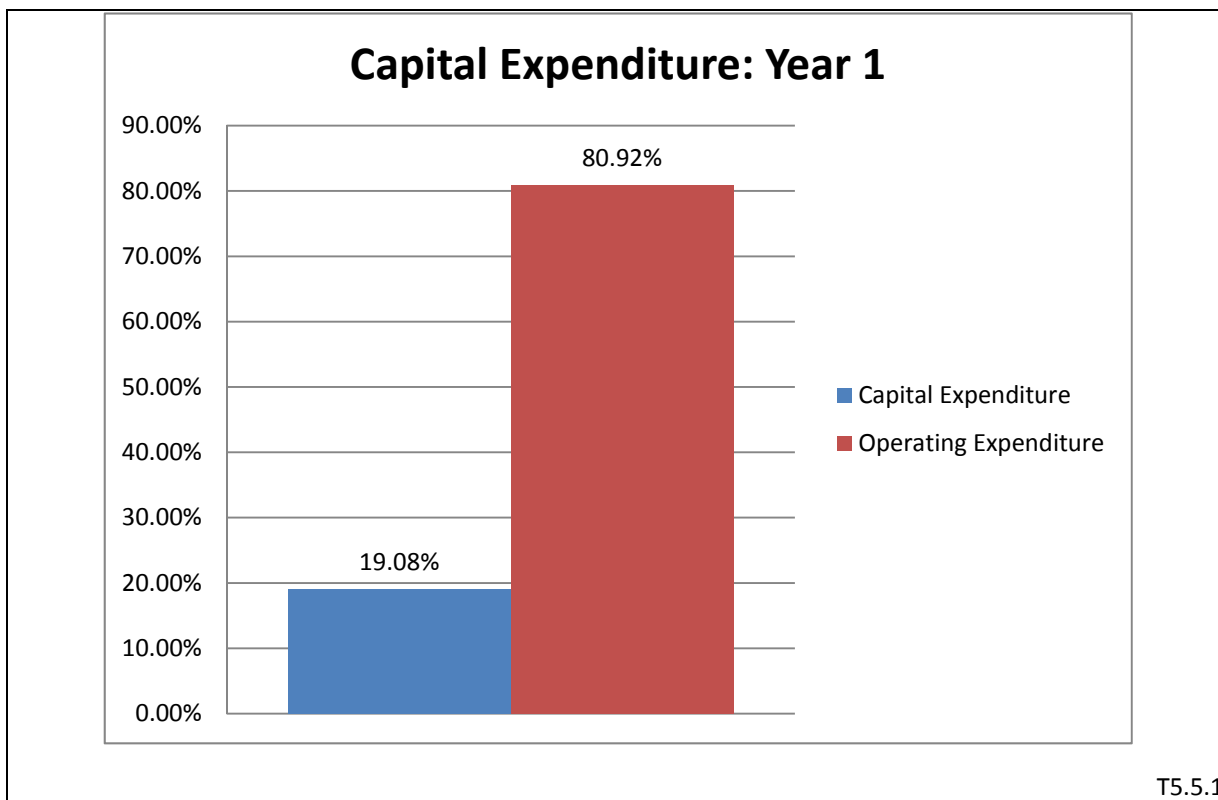
The municipality spent more than 100% of the approved budget on capital projects. The largest projects were the Wastewater Treatment Plant in Malmesbury (47.5% of the total capital expenditure), upgrading and replacement of ageing electricity infrastructure (7.5% of the total capital expenditure), resealing of streets (7% of the total capital expenditure), a water pump station in Moorreesburg (1.6% of the total capital expenditure) and the replacement of a truck (1.6% of the total capital expenditure).

More information on the capital expenditure is available in Appendices M, N and O.

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5.5 CAPITAL EXPENDITURE

The graph below indicates the percentage of capital expenditure against the total budget (capital plus operating expenditure)



5.6 SOURCES OF FINANCE

Capital Expenditure - Funding Sources Year 0 to Year 1						
Details	Year 0	Year 1				
	Actual	Original Budget (OB)	Adjustment Budget	Actual	Adjustment to OB Variance (%)	Actual to OB Variance (%)
Source of finance						
External loans	R18 981 653	R44 879 349	R41 991 358	R47 343 724	-6.44%	5.49%
Public contributions and donations				R4 606		
Grants and subsidies	R32 252 938	R13 224 000	R13 272 512	R15 896 265	0.37%	20.21%
Other	R31 764 398	R38 245 308	R44 346 968	R44 603 490	15.95%	16.62%
Total	R82 998 989	R96 348 657	R99 610 838	R107 848 086	9.89%	42.32%
Percentage of finance						
External loans	22.9%	46.6%	42.2%	43.9%	-65.1%	13.0%
Public contributions and donations	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants and subsidies	38.9%	13.7%	13.3%	14.7%	3.7%	47.7%
Other	38.3%	39.7%	44.5%	41.4%	161.4%	39.3%

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Capital expenditure							
Water and sanitation	R45 702 270	R61 871 053	R58 061 013	R64 827 005	-6.16%	4.78%	
Electricity	R11 427 488	R12 105 000	R12 053 140	R11 589 282	-0.43%	-4.26%	
Housing	R606 927			R505 533			
Roads and storm water	R17 304 165	R12 581 534	R17 330 457	R17 207 470	37.75%	36.77%	
Other	R7 958 139	R9 791 070	R12 166 228	R13 718 796	24.26%	40.12%	
Total	R82 998 989	R96 348 657	R99 610 838	R107 848 086	55.42%	77.40%	
<i>Percentage of expenditure</i>							
Water and sanitation	55.1%	64.2%	58.3%	60.1%	-11.1%	6.2%	
Electricity	13.8%	12.6%	12.1%	10.7%	-0.8%	-5.5%	
Housing	0.7%	0.0%	0.0%	0.5%	0.0%	0.0%	
Roads and storm water	20.8%	13.1%	17.4%	16.0%	68.1%	47.5%	
Other	9.6%	10.2%	12.2%	12.7%	43.8%	51.8%	
							T5.6.1

COMMENT ON SOURCES OF FUNDING:

Total expenditure for the year amounts to R493m, of which operating expenditure consists of 78.1% and capital expenditure of 21.9%. Significant adjustments were made to the original approved capital budget as a result of increased grant funding as well as roll-over projects from the prior year.

5.7 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Capital Expenditure of 5 largest projects*					
Name of Project	Current Year: Year 1			Variance Current Year: Year 1	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance (%)	Adjustment variance (%)
A -	R52 354 108	R52 354 108	R51 265 448	2%	0%
B -	R8 500 000	R8 500 000	R8 109 267	5%	0%
C -	R7 500 000	R7 500 000	R7 497 763	0%	0%
D -	R700 000	R1 162 000	R1 688 449	-141%	-66%
E -	R1 900 000	R1 668 200	R1 672 121	12%	12%
* Projects with the highest capital expenditure in Year 1					

Name of Project - A	Waste Water Treatment Works Malmesbury
Objective of Project	Upgrading of Malmesbury Sewerage Works
Delays	yes
Future Challenges	Maintaining the asset in future
Anticipated citizen benefits	Better Disposal of raw sewerage

Name of Project - B	Electrical Upgrading of Aging Electrical Networks
Objective of Project	Upgrading of Electrical Networks
Delays	None
Future Challenges	Maintaining the asset in future
Anticipated citizen benefits	More Stable Supply of Electricity

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Name of Project - C	Resealing of Streets: Swartland Area
Objective of Project	Resealing of Streets
Delays	None
Future Challenges	Maintaining the asset in future
Anticipated citizen benefits	Better maintained Streets

Name of Project - D	Water Pump Station Moorreesburg
Objective of Project	Water Supply in Moorreesburg
Delays	None
Future Challenges	Maintaining the asset in future
Anticipated citizen benefits	Better water Supplies

Name of Project - E	Nissan UD TRUCK UD330WF - CK 43815
Objective of Project	Replacement of old Vehicle
Delays	None
Future Challenges	None
Anticipated citizen benefits	Old Vehicle needed major repairs and breakdowns limited

T5.7.1

COMMENT ON CAPITAL PROJECTS:

The expenditure on the major projects listed above are according to budget and were all completed within the timeframes set. However, there were increased spending on the resealing of the roads as well as a saving on the truck. A major concern as also indicated above and elsewhere in this report, is the ability of the municipality to maintain the assets in future, within the parameters of affordable tariff adjustments.

5.8 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS OVERVIEW

Municipal Infrastructure Grant (MIG)* Expenditure Year 1 on Service backlogs						
Details	Budget	Adjust-ments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust-ments Budget	
Infrastructure - Road transport						
<i>Roads, Pavements & Bridges</i>						
<i>Storm water</i>						
Infrastructure - Electricity						
<i>Generation</i>						
<i>Transmission & Reticulation</i>						
<i>Street Lighting</i>						
Infrastructure - Water						
<i>Dams & Reservoirs</i>						
<i>Water purification</i>						
<i>Reticulation</i>						
Infrastructure - Sanitation						

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<i>Reticulation</i>						
<i>Sewerage purification</i>	R11 974 000	R11 974 000	R11 974 000	0%	0%	
Infrastructure - Other						
<i>Waste Management</i>						
<i>Transportation</i>						
<i>Gas</i>						
Other Specify:						
Total						

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

INTRODUCTION TO CASH FLOW MANAGEMENT AND INVESTMENTS

The municipality classified a positive cash balance as critical to its operations and future viability and all planning exercises take the effect of decisions on the cash position of the municipality into consideration.

The municipality utilises a Capital Replacement Reserve (CRR), established in terms of the Asset Management Policy, to fund as much of the capital expenditure as possible. The CRR is being funded by surplus cash which is mainly derived from a recovery from tariffs for depreciation charges.

In order to measure that the municipality has sufficient own cash resources, the municipality deducts any unspent grants as well as unspent loans from the available cash position, with the balance being own funds and which is allocated between the operating account and the CRR.

5.9 CASH FLOW

Cash Flow Outcomes				
Description	Year 0	Current Year: Year 1		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	R268 477 735	R293 533 530	R292 827 951	R299 285 796
Government - operating	R40 025 984	R37 843 667	R39 851 861	R40 630 455
Government - capital	R35 385 402	R13 224 000	R14 046 000	R15 938 400
Interest	R11 325 914	R16 057 934	R16 057 934	R10 609 144
Dividends	R0	R0	R0	

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Payments				
Suppliers and employees	-R277 786 396	-R318 775 888	-R309 239 025	-R302 625 965
Finance charges	-R6 269 675	-R16 056 547	-R15 029 957	-R5 254 722
Transfers and Grants		-R1 296 060	-R1 296 060	
NET CASH FROM/(USED) OPERATING ACTIVITIES	R71 158 964	R24 530 636	R37 218 705	R58 583 108
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	R6 382 505	R6 957 277	R6 957 277	R1 445 502
Decrease (Increase) in non-current debtors	R0	R0	R0	
Decrease (increase) other non-current receivables	R59 778	R46 459	R46 459	R23 517
Decrease (increase) in non-current investments	-R71 841 096	R0	R0	R71 841 096
Payments				
Capital assets	-R84 873 066	-R96 348 657	-R99 610 849	-R107 843 479
NET CASH FROM/(USED) INVESTING ACTIVITIES	-R150 271 879	-R89 344 921	-R92 607 113	-R34 533 364
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	R0	R0	R0	
Borrowing long term/refinancing	R17 196	R105 269 984	R106 019 984	R105 477 890
Increase (decrease) in consumer deposits				
Payments				
Repayment of borrowing	-R13 760 541	-R4 459 868	-R5 302 000	-R5 719 583
NET CASH FROM/(USED) FINANCING ACTIVITIES	-R13 743 345	R100 810 116	R100 717 984	R99 758 307
NET INCREASE/ (DECREASE) IN CASH HELD	-R92 856 260	R35 995 831	R45 329 576	R123 808 051
Cash/cash equivalents at the year begin:	R188 259 008	R159 561 397	R167 243 845	R95 402 748
Cash/cash equivalents at the year end:	R95 402 748	R195 557 228	R212 573 421	R219 210 799
Source: MBRR SA7				T5.9.1

COMMENT ON CASH FLOW OUTCOMES:

The net cash position of the municipality, as indicated above, is R219.2m. Unspent grants totals R4.7m and unspent loans R50m, which leaves an own cash balance of R164.5m.

Despite the fact that the municipality ended on an operating loss of R18.5m for the financial year the cash generated by operations amounts to R58.5m. R33m of this amount was recovered for depreciation charges for the utilisation of the municipal assets. The difference is an indication of good debtors' recovery rates and cash resource management.

Significant variances from the approved cash flow budget are being explained in detail in the different sections in this report, the major variances be the capitalisation of interest on borrowings and the offsetting of interest on investments in terms of the requirements of GRAP 5 – Borrowing Costs.

5.10 BORROWING AND INVESTMENTS

INTRODUCTION TO BORROWING AND INVESTMENTS

Borrowing forms an integral part of capital financing in local government. However, borrowing can be expensive and must be managed within affordable repayment levels. The municipality strategically borrowed

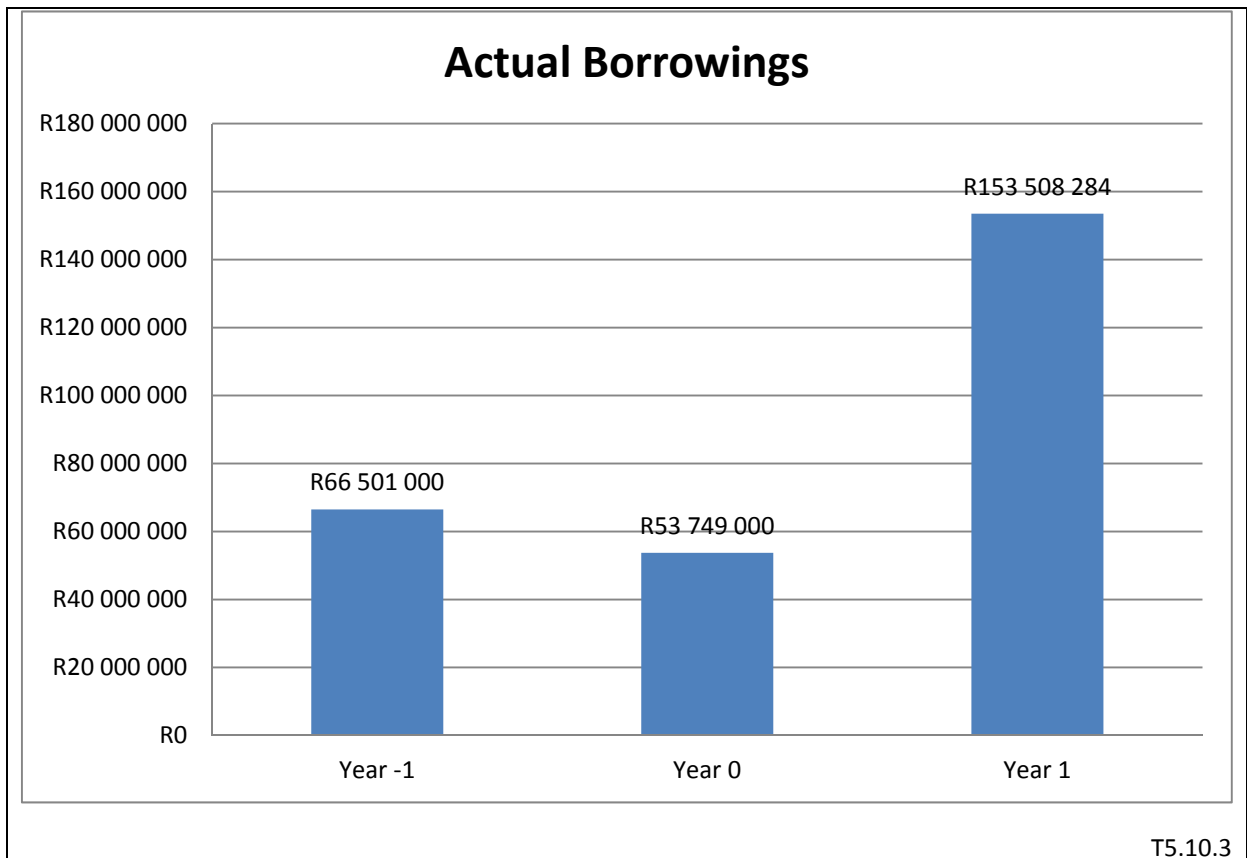
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R105m in the financial year for the upgrade of sewerage treatment plants. This will ensure that the municipality can cope with the tremendous growth in the municipal area for the foreseeable future.

On the other hand, the municipality invests all surplus cash in order to obtain the best interest. Net operating interest earned for the year (Interest earned less Interest paid) amounts to R5.4m, but the effect of the interest to be paid on the R105m loan raised will cancel the surplus to more or less a break-even in future.

Actual Borrowings Year -1 to Year 1			
Instrument	Year -1	Year 0	Year 1
Long-Term Loans (annuity/reducing balance)	R66 501 000	R53 749 000	R153 508 284
Long-Term Loans (non-annuity)			
Local registered stock			
Instalment Credit			
Financial Leases			
PPP liabilities			
Finance Granted By Cap Equipment Supplier			
Marketable Bonds			
Non-Marketable Bonds			
Bankers Acceptances			
Financial derivatives			
Other Securities			
Total	R66 501 000	R53 749 000	R153 508 284

T5.10.2



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Municipal Investments			
Investment* type	Year -1	Year 0	Year 1
	Actual	Actual	Actual
Securities - National Government			
Listed Corporate Bonds			
Deposits - Bank		R71 841 096	
Deposits - Public Investment Commissioners			
Deposits - Corporation for Public Deposits			
Bankers Acceptance Certificates			
Negotiable Certificates of Deposit - Banks			
Guaranteed Endowment Policies (sinking)			
Repurchase Agreements - Banks			
Municipal Bonds			
Other	R188 259 008	R95 402 748	R219 210 799
Total	R188 259 008	R167 243 844	R219 210 799

5.11 PUBLIC PRIVATE PARTNERSHIPS

N/a

COMPONENT D: OTHER FINANCIAL MATTERS

5.12 SUPPLY CHAIN MANAGEMENT

SUPPLY CHAIN MANAGEMENT

Swartland Municipality adopted and implemented a Supply Chain Policy on 1 January 2006 in compliance with the guidelines set down by the SCM Regulations 2005. Amendments to the policy were approved by the Executive Mayoral Committee on 11 May 2011 and 16 May 2012 respectively. No councillors are members of any committee handling Supply Chain processes. Two Supply Chain officials have finished the MFMP training. One official is yet to reach the necessary competency levels. No remarks were made in the Auditor-General's report concerning the quality of Supply Chain Management.

5.13 GRAP COMPLIANCE

GRAP COMPLIANCE

GRAP is the acronym for **Generally Recognized Accounting Practice** and it provides the rules by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

The Accounting Standards Board annually issues a directive (Directive 5) indicating the relevant accounting standards which municipalities must comply with. The municipality implemented all the required standards and were able to obtain an unqualified audit report with no other matters, otherwise known as a "clean audit". The municipality did not deviate from any of the standards.

Chapter 6

CHAPTER 6 – AUDITOR GENERAL AUDIT FINDINGS

INTRODUCTION

The Constitution section 188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. The responsibility of the Auditor-General is to perform an audit to obtain reasonable assurance whether the financial statements are free from material misstatement and to express an opinion based on the audit conducted in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing.

The Municipal System Act section 45 states that the results of performance measurement must be audited annually by the Auditor-General. The reported performance against predetermined objectives is evaluated against the overall criteria of usefulness and reliability. The usefulness of information relates to whether the reported performance is consistent with the planned development priorities or objectives and if indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.

The annual financial statements of the municipality was submitted to the Auditor-General in accordance with the MFMA section 122(1)(2) on 31 August 2012 and received the final audit report from Auditor-General on 30 November 2012 in accordance with the MFMA section 126(3)(b).

COMPONENT A: AUDITOR-GENERAL OPINION OF FINANCIAL STATEMENTS YEAR 0

6.1 AUDITOR GENERAL REPORTS YEAR 0 (PREVIOUS YEAR)

Auditor-General Report on Financial Performance Year 2010/2011	
Audit Report Status:	Clean Audit Report
Non-Compliance Issues	Remedial Action Taken
There are no findings concerning material non-compliance with laws and regulations applicable to the municipality.	None
	T6.1.1

Auditor-General Report on Service Delivery Performance: Year 2010/2011	
Audit Report Status:	Unqualified Clean Audit Report
Non-Compliance Issues	Remedial Action Taken
There are no material findings on the annual performance report.	None
	T6.1.2

COMPONENT B: AUDITOR-GENERAL OPINION YEAR 1 (CURRENT YEAR)

6.2 AUDITOR GENERAL REPORT YEAR 1

Auditor-General Report on Financial Performance Year 2011/2012	
Status of audit report:	Unqualified - Clean Audit Report *
Non-Compliance Issues	Remedial Action Taken
The municipality has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. No instances of material non-compliance with specific matters in key applicable laws and regulations as set out in the General Notice issued in terms of the PAA were identified	None
	T6.2.1

Chapter 6

Auditor-General Report on Service Delivery Performance: Year 2011/2012	
Status of audit report**:	Unqualified - Clean Audit Report *
Non-Compliance Issues	Remedial Action Taken
There are no material findings on the annual performance report concerning the usefulness and reliability of the information.	None
T6.2.2	

AUDITOR GENERAL REPORT ON THE FINANCIAL STATEMENTS: YEAR 1

See Chapter 1 paragraph 1.6

COMMENTS ON AUDITOR-GENERAL'S OPINION YEAR 1:

Swartland Municipality for the past financial year 2011/2012 once again received a clean audit from the Auditor-General. This is the second consecutive year that this recognition accrues to the municipality and indicates to the residents of Swartland that the municipality is well managed and committed to provide a good service to the community.

The foundations on which Swartland Municipality builds its success are as follows:

- Political stability
- Good leadership
- To apply Good Governance at all times
- All employees' buy-in to do the right things and to apply control
- To investigate and implement Best practices

COMMENTS ON MFMA SECTION 71 RESPONSIBILITIES:

Section 71 of the MFMA requires municipalities to return a series of financial performance data to the National Treasury at specified intervals throughout the year. The Chief financial officer states that these data sets have been returned according to the reporting requirements.

Signed (Chief financial Officer)_____ Dated_____

T6.2.5

GLOSSARY

GLOSSARY

Accessibility indicators	Explore whether the intended beneficiaries are able to access services or outputs.
Accountability documents	Documents used by executive authorities to give <i>"full and regular"</i> reports on the matters under their control to Parliament and provincial legislatures as prescribed by the Constitution. This includes plans, budgets, in-year and Annual Reports.
Activities	The processes or actions that use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe <i>"what we do"</i> .
Adequacy indicators	The quantity of input or output relative to the need or demand.
Annual Report	A report to be prepared and submitted annually based on the regulations set out in Section 121 of the Municipal Finance Management Act. Such a report must include annual financial statements as submitted to and approved by the Auditor-General.
Approved Budget	The annual financial statements of a municipality as audited by the Auditor General and approved by council or a provincial or national executive.
Baseline	Current level of performance that a municipality aims to improve when setting performance targets. The baseline relates to the level of performance recorded in a year prior to the planning period.
Basic municipal service	A municipal service that is necessary to ensure an acceptable and reasonable quality of life to citizens within that particular area. If not provided it may endanger the public health and safety or the environment.
Budget year	The financial year for which an annual budget is to be approved – means a year ending on 30 June.
Cost indicators	The overall cost or expenditure of producing a specified quantity of outputs.
Distribution indicators	The distribution of capacity to deliver services.
Financial Statements	Includes at least a statement of financial position, statement of financial performance, cash-flow statement, notes to these statements and any other statements that may be prescribed.
General Key performance indicators	After consultation with MECs for local government, the Minister may prescribe general key performance indicators that are appropriate and applicable to local government generally.
Impact	The results of achieving specific outcomes, such as reducing poverty and creating jobs.
Inputs	All the resources that contribute to the production and delivery of outputs. Inputs are <i>"what we use to do the work"</i> . They include finances, personnel, equipment and buildings.
Integrated Development Plan (IDP)	Set out municipal goals and development plans.
National Key performance areas	<ul style="list-style-type: none"> • Service delivery & infrastructure • Economic development • Municipal transformation and institutional development • Financial viability and management • Good governance and community participation
Outcomes	The medium-term results for specific beneficiaries that are the consequence of achieving specific outputs. Outcomes should relate clearly to an institution's strategic goals and objectives set out in its plans. Outcomes are <i>"what we wish to achieve"</i> .
Outputs	The final products, or goods and services produced for delivery. Outputs may be defined as <i>"what we produce or deliver"</i> . An output is a concrete achievement (i.e. a product such as a passport, an action such as a presentation or immunization, or a service such as processing an application) that contributes to the achievement of a Key Result Area.

GLOSSARY

Performance Indicator	Indicators should be specified to measure performance in relation to input, activities, outputs, outcomes and impacts. An indicator is a type of information used to gauge the extent to which an output has been achieved (policy developed, presentation delivered, service rendered)
Performance Information	Generic term for non-financial information about municipal services and activities. Can also be used interchangeably with performance measure.
Performance Standards:	The minimum acceptable level of performance or the level of performance that is generally accepted. Standards are informed by legislative requirements and service-level agreements. Performance standards are mutually agreed criteria to describe how well work must be done in terms of quantity and/or quality and timeliness, to clarify the outputs and related activities of a job by describing what the required result should be. In this EPMDS performance standards are divided into indicators and the time factor.
Performance Targets:	The level of performance that municipalities and its employees strive to achieve. Performance Targets relate to current baselines and express a specific level of performance that a municipality aims to achieve within a given time period.
Service Delivery Budget Implementation Plan	Detailed plan approved by the mayor for implementing the municipality's delivery of services; including projections of the revenue collected and operational and capital expenditure by vote for each month. Service delivery targets and performance indicators must also be included.
Vote:	<p>One of the main segments into which a budget of a municipality is divided for appropriation of money for the different departments or functional areas of the municipality. The Vote specifies the total amount that is appropriated for the purpose of a specific department or functional area.</p> <p>Section 1 of the MFMA defines a "vote" as:</p> <p><i>a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and</i></p> <p><i>b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned</i></p>

APPENDICES

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APPENDIX A – COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

Councillors, Committees Allocated and Council Attendance					
Council Members	Full Time / Part Time	Committees Allocated	*Ward and/ or Party Represented	Percentage Council Meetings Attendance	Percentage Apologies for non- attendance
	FT/PT			%	%
Van Zyl, M	FT	Executive Mayoral Committee/Portfolio Committee (Admin & Finance; Civil & Electrical Services)	Ward 1	97%	3%
Papers, C H	PT	Portfolio Committee (Civil & Electrical Services; Development & Protection Services)	Ward 2	94%	6%
Abrahams, M Z	PT	Portfolio Committee (Admin & Finance; Civil & Electrical Services)	Ward 3	100%	0%
Stanley, B J	PT	Portfolio Committee (Development & Protection Services)	Ward 4	94%	6%
Cleophas, J H	PT	Please note: Cllr Cleophas is the Executive Mayor of the West Coast District Municipality and does not serve on any committee at Swartland	Ward 5	63%	27%
Johnson, A	FT	Portfolio Committee (Civil & Electrical Services; Development & Protection Services) Please note: Ald Johnson became ill and died in May '12	Ward 6	38%	
Sedeman, A C	PT	Portfolio Committee (Civil & Electrical Services; Development & Protection Services)	Ward 7	94%	6%
Rust, N J A	PT	Portfolio Committee (Admin & Finance; Civil & Electrical Services)	Ward 8	100%	0%
Zatu, N S	PT	Portfolio Committee (Civil & Electrical Services)	Ward 9	75%	25%

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Hunsinger, C H H	FT	Portfolio Committee (Admin & Finance; Civil & Electrical Services; Development & Protection Services)	Ward 10	86%	14%
Goliath, M S I	FT	Executive Mayoral Committee/Portfolio Committee (Admin & Finance; Civil & Electrical Services; Development & Protection Services)	Ward 11	97%	3%
Wilskut, W	FT	Executive Mayoral Committee/Portfolio Committee (Admin & Finance; Development & Protection Services)	Ward 12	97%	3%
Van Essen, T	FT	Executive Mayor	Party Represented	97%	3%
Stemele, O M	PT	Portfolio Committee (Admin & Finance; Civil & Electrical Services)	Party Represented	94%	6%
Geel, B W	PT	Portfolio Committee (Admin & Finance; Development & Protection Services)	Party Represented	69%	31%
Van der Westhuizen, R F	FT	Portfolio Committee (Admin & Finance; Development & Protection Services)	Party Represented	100%	0%
Cloete, C M	PT	Portfolio Committee (Admin & Finance)	Party Represented	56%	44%
Philander, D B	PT	Portfolio Committee (Development & Protection Services)	Party Represented	62%	38%
Fortuin, C	PT	Portfolio Committee (Civil & Electrical Services)	Party Represented	94%	6%
Sneewe, A M	PT	Portfolio Committee (Development & Protection Services)	Party Represented	88%	12%
Humphreys, F S	PT	Portfolio Committee (Admin & Finance)	Party Represented	100%	0%
Van der Merwe, J I	PT	Portfolio Committee (Admin & Finance; Civil & Electrical Services; Development & Protection Services)	Party Represented	88%	12%

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McKrieling, H	PT	Portfolio Committee (Admin & Finance; Civil & Electrical Services; Development & Protection Services) (membership was terminated on 17 October 2011)	Party Represented	80%	20%
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*Note: * Councillors appointed on a proportional basis do not have wards allocated to them*

T A

APPENDIX B – COMMITTEES AND COMMITTEE PURPOSES

Committees (other than Mayoral / Executive Committee) and Purposes of Committees	
Municipal Committees	Purpose of Committee
Local Labour Forum / Training / Appointment com	To regulate HR matters
Swartland Municipal Police Surveillant com	To regulate SMPD matters
Landfill Audit com	To regulate landfill sites
Occupational Health com	To regulate occupational health
Disaster Management com	To regulate disaster management
Tourism Org	To regulate tourism matters
Assets and Fleet Management com	To regulate asset and fleet matters
Development Services com	To regulate development services matters
Budget Steering com	

T B

APPENDIX C –THIRD TIER ADMINISTRATIVE STRUCTURE

Third Tier Structure	
Directorate	Director/Manager (State title and name)
Corporate Services	Manager: Human Resources, Ms S de Jongh
Corporate Services	Manager: Secretariat & Records, Ms N Brand
Corporate Services	Manager: Properties & Contracts, Mr I Adams
Corporate Services	Manager: Public Relations, Ms IH Looek
Financial Services	Manager: Financial Statements & Control, Mr CF Gerber
Protection Services	Harbour Master, Mr AW Crews
Protection Services	Head: Fire & Emergency Services, Mr J Smith
Protection Services	Head: Municipal Police Services, Mr MJ Green
Electrical Engineering Services	Senior Manager: Information, Communication & Technology, Mr W Crous
Electrical Engineering Services	Manager: Technical Services, Mr MJ Swanepoel
Electrical Engineering Services	Manager: Maintenance & Construction, Mr TF Rossouw
Development Services	Manager: Planning, Building Control & Valuations, Mr AM Zaayman
Development Services	Head: Community Development, Ms M Holtzhausen
Development Services	Manager: Housing, Mr SC Arendse
Development Services	Head: Occupational Health & Safety, Mr WSJ Marais
Civil Engineering Services	Manager: Buildings & Structures, Mr NC Quickfall
Civil Engineering Services	Manager: Cleansing Services, Mr FH Bruwer
Civil Engineering Services	Senior Manager: Technical Services, Mr LD Zikmann

Use as a spill-over schedule if top 3 tiers cannot be accommodated in chapter 2 (T2.2.2).

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APPENDIX D – FUNCTIONS OF MUNICIPALITY / ENTITY

Municipal Functions	
MUNICIPAL FUNCTIONS	Function Applicable to Municipality (Yes / No)*
Constitution Schedule 4, Part B functions:	
Air pollution	No
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Firefighting services	No
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	No
Fencing and fences	Yes
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	No
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	No
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

APPENDICES

APPENDIX E – WARD REPORTING

Functionality of Ward Committees					
Ward Name (Number)	Name of Ward Councillor and elected Ward committee members	Committee established (Yes / No)	Number of monthly Committee meetings held during the year	Number of monthly reports submitted to Speakers Office on time	Number of quarterly public ward meetings held during year
1	Van Zyl, M (cllr)	Yes	8	8	2
	Smit, C				
	Louw, F				
	Rautenbach, S				
	Maarman, A				
	Koch, C				
	Nortjé-Stadler, M				
	Rautenbach, P				
	Van Noord, P				
	Faasen, E				
	Diedericks, M				
2	Papers, C (cllr)	Yes	8	8	2
	Cloete, H				
	Fihlani, Y				
	Davids, K				
	Gurah, N				
	Feni, M				
	Thomas, E				
	Manas, R				
	Riddles, T				
	Alexander, M				
	Boois, M				
3	Abrahams, Z (cllr)	Yes	8	8	2
	Macelli, A				
	Vacant				
	Appollis, G				
	Appollis, J				
	Ghalpie, A				
	Huyster, G				
	Kasner, G				
	Adams, E				
	Adams, M				
	Vacant				

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4	Stanley, B (cldr)	Yes	8	8	2
	Willemse, A				
	Cupido, J				
	Bruiners, K				
	Williams, J				
	Adams, F				
	Strachan, A				
	Gysman, P				
	Rezant, H				
	Lindenberg, L				
	Willemse, A				
5	Cleophas, J (cldr)	Yes	8	8	2
	Brittain, E				
	Thomas, W				
	Marais, T				
	Bray, W				
	Mouton, B				
	Van Dijk, L				
	Van Deventer Badenhorst, W				
	Vacant				
	Wheatley, R				
	Van Reenen, M				
6	Rangasamy, M (cldr)	Yes	8	8	2
	Opperman, A				
	Rosant, I				
	Vacant				
	Williams, K				
	Pienaar, P				
	Mekana, S				
	Mbhele, A				
	Bezuidenhout, R				
	Damon, S				
	Maarman, A				
7	Sedeman, A (cldr)	Yes	8	8	2
	McQuire, V				
	Onverwacht, P				
	Marais, H				
	Muller, L				
	Syster, K				
	Fry, R				
	Manuwel, W				
	Williams, A				
	Daniëls, E				

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	Peters, B				
8	Rust, N (cldr)	Yes	8	8	2
	Davids, D				
	Liedeman, S				
	Van der Merwe, S				
	Keulder, H				
	Gerber, P				
	Vacant				
	Terblanche, S				
	Santon, W				
	Strauss, A				
	Vacant				
9	Zatu, N (cldr)	Yes	8	8	2
	Maqoko, P				
	Kowa, N				
	Sekhamane, M				
	Penxa, B				
	Vacant				
	Rasmeni, S				
	Mtshikwana, S				
	Ngozi, M				
	Skentyi, N				
	Mhkaweli, N				
10	Hunsinger, C (cldr)	Yes	8	8	2
	Traut, L				
	Leander, A				
	Koen, A				
	Adams, J				
	Petersen, T				
	Brand, H				
	Andersen, P				
	Arendse, P				
	Coetzee, H				
	Goliath, L				
11	Goliath, M (cldr)	Yes	8	8	2
	Syster, E				
	Anthony, G				
	Roems, L				
	Pieters, A				
	le Roux, J				
	Boks, E				
	Lategan, J				
	Van der Ventel, E				

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	La-Meyer, N				
	Titus, J				
12	Wilskut, W (cllr)	Yes	8	8	2
	Wilskut, A				
	Brand, C				
	Smuts, W				
	Albertus, S				
	Koopman, A				
	De Bruin, J				
	Alberts, F				
	Lameyer, J				
	Cloete, M				
	De Bruin, C				
					T E

APPENDIX F – WARD INFORMATION

Capital Projects: Seven Largest in Year 1 (Full List at Appendix X)				
No.	Project Name and detail	Start Date	End Date	Total Value
1	Vehicles Roads: Bakkie Moorreesburg (CK 33697 - A Mentoor) pj 11-0124	Sep-11	Dec-12	R 139 147.00
	Sewerage: WWTW Koringberg pj 10-0043	Oct-12	Active	R 461 250.00
	Swimming pool Moorreesburg: Upgrading of chlorine system pj 11-0111	Nov-11	Nov-12	R 165 000.00
	Water pump station Moorreesburg pj 09-0051	Jul-12	Jan-12	R 1 690 842.00
				R 2 456 239. 00
2	Vehicles Roads: Bakkie Moorreesburg (CK 33697 - A Mentoor) pj 11-0124	Sep-11	Dec-12	R 139 147.00
	Sewerage: WWTW Koringberg pj 10-0043	Oct-12	Active	R 461 250.00
	Swimming pool Moorreesburg: Upgrading of chlorine system pj 11-0111	Nov-11	Nov-12	R 165 000.00
	Water pump station Moorreesburg pj 09-0051	Jul-11	Jan-12	R 1 690 842.00
				R 2 254 301. 00
3	Sewerage: Upgrading of WWTW - Riebeek Kasteel and Riebeek West pj 10-0157	Oct-11	Active	R 750 000.00
	Purchase of Land pj 11-0113	Sep-11	Jun-12	R 120 000.00
	Sport: Riebeek West Sports grounds (Lotto) pj 11-0123	Feb-12	Project postponed	R 100 000.00
	Water reservoir - Riebeek West (1.0 ML) pj 11-0021	Sep-11	Active	R 200 000.00
				R 1 170 000.00
4	Sewerage: Chatsworth sewerage works (design work and determination of standards) pj 11-0095	Oct-11	Active	R 400 000.00
				R 400 000.00

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5	Pedestrian pathways: Darling (Dept of Public Works) pj 10-0162	Sep-11	Jun-12	R 600 000.00
	Sewerage: Apparatus for taking samples pj 09-0181	Oct-11	Jan-12	R 75 000.00
	Vehicles Sewerage: Bakkie Darling (CK 43248 - B Sedres) pj 11-0121	Sep-11	Feb-12	R 139 147.00
	Fencing: Sand Dunes - Yzerfontein pj 11-0125	May-12	Jun-12	R 68 200.00
	Small Farmers Agriculture: Implementation of project - Darling CASP pj 10-0086	Sep-11	Project Postponed	R 25 000.00
				R 907 347.00
6	Roads Swartland: Construction of new roads Darling pj 10-0155	Sep-11	Jun-12	R 1 919 365.00
	Pedestrian pathways: Darling (Dept of Public Works) pj 10-0162	Sep-11	Jun-12	R 600 000.00
	Sewerage: Apparatus for taking samples pj 09-0181	Oct-11	Jan-12	R75 000.00
	Vehicles Sewerage: Bakkie Darling (CK 43248 - B Sedres) pj 11-021	Sep-11	Feb-12	R 139 147.00
	Small Farmers Agriculture: Implementation of project - Darling CASP	Sep-11	Project postponed	R 25 000.00
				R 2 758 512.00
7	Sewerage Abbotsdale: Extension of pipeliness pj 11-0115	Oct-11	Jun-12	R 3 087 461.00
	Purchase of Land pj 11-0113	Sep-11	Jun-12	R 120 000.00
	Sport: Kalbaskraal Sports grounds (Lotto) pj 11-0122	Feb-12	Active	R 50 000.00
				R 3 257 461.00
8	Roads: Main Road 25 pj 10-0078	Jan-12	Aug-12	R 1 700 000.00
				R 1 700 000.00
9	Thusong Centre pj 11-0119	Dec-11	Active	R 500 000.00
				R 500 000.00
12	Sewerage: Upgrading of WWTW - Riebeek Kasteel and Riebeek West pj 10-0157	Oct-11	Active	R 750 000.00
				R 750 000.00
T F.1				

Top Four Service Delivery Priorities for Ward (Highest Priority First)		
Ward No.	Priority Name and Detail	Progress During Year 1
1	Roads and stormwater	
	Business and Local Economic Development	
	Housing	
	Education	
	Health	
2	Housing	
	Business and Local Economic Development	
	Education	
	Parks and Public Amenities	
	Public safety / Law Enforcement	

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3	Housing	
	Cemetries	
	Sport and Recreation	
	Parks and Public Emeneties	
	Community Development	
	Health	
4	Education	
	Cemetries	
	Health	
	Sport and Recreation	
	Refuse removal	
5	Public Safety / Law Enforcement	
	Business and Local Economic Development	
	Fire and Emergency Services	
	Conservation (natural land built environment)	
	Education	
6	Business and Local Economic Development	
	Roads and stormwater	
	Health	
	Fire and Emergency Services	
	Education	
7	Housing	
	Cemetries	
	Sport and Recreation	
	Community Development	
	Public Safety / Law Enforcement	
8	Sustainable Service Delivery	
	Local Economic Development	
	Strategic Development regarding a "Green" movement	
	Strategic Development for the marketing of Malmesbury as a residential destination	
9	Housing	
	Education / Library	
	Business and Local Economic Developmet	
	Sport and Recreation	
	Community Development / Hall	
10	Public Safety / Law Enforcement	
	Health	
	Business and Local Economic Development	

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	Housing	
	Sport and Recreation	
11	Housing	
	Electricity	
	Street lighting	
	Sport and Recreation	
	Community Development	
12	Sport and Recreation	
	Housing	
	Community Development	
	Fire and Emergency Services	
	Health	
T F.3		

APPENDIX G – RECOMMENDATIONS OF THE MUNICIPAL AUDIT COMMITTEE YEAR 1

Municipal Audit Committee Recommendations		
Date of Committee	Committee recommendations during 2011/2012	Recommendations adopted (enter Yes) If not adopted (provide explanation)
	Financial Audit Committee - Internal Control	
29 August 2011 13 December '11 19 January 2012 15 March 2012 7 June 2012	Management of the municipality should continue with the monitoring and their involvement in ensuring that the recommendations made by the Internal Audit Department regarding the improvement of the internal control environment are timeously implemented.	Yes. A list of all outstanding findings are followed up on a continuous basis by Internal Audit and reported to Management and the Audit Committee.
	The Audit Committee raised their concern in respect of the high level of outstanding debt owned to the municipality and its continuous upwards trend.	Yes. The implementation of the recommendations in respect of the Credit Control and Debt Collection effectiveness are monitored by Management and the Audit Committee. Processes to increase the debt collection rate are investigated.
	Although Swartland Municipality ended the previous financial year in a very healthy situation, the new direction that it has embarked on (to budget for deficits) is going to erode its' cash resources and the ability to finance future capital requirements.	Yes. Major risks facing the municipality have been identified and Management action plans developed to mitigate these risks. Financial sustainability is one of the areas identified and included in the IDP.
	Performance Audit Committee - Predetermine Objectives	
29 August 2011 15 March 2012	KPI's are not set to ensure that the efficiency and economical utilisation of resources can be measured.	Yes. Standards are currently being developed to measure the efficiency and economical utilisation of resources.

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	Not all key performance indicators are set to ensure that the predetermined performance objectives are or will be achieved.	Yes. KPI's are reviewed annually and adjusted accordingly.
	Supporting documentation were not at all times available to support the achievement of targets set for KPI's due to the lack of system reports and adequate recordkeeping and therefore reliability with regards to the achievement of goals can thus not be verified.	Yes. Systems are being developed for obtaining evidence in a cost effective and simple manner. It should not be time consuming and resource intensive.

APPENDIX H – LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIPS

Long Term Contracts (20 Largest Contracts Entered into Year 1)					
Name of Service Provider (Entity or Municipal Department)	Description of Services Rendered by the Service Provider	Start Date of Contract	Expiry date of Contract	Project manager	Contract Value
Aurecon	Consulting Engineering services	Aug 2010	March 2013	Louis Zikman	
Westland Joint Venture	Civil Engineering Services	Aug 2010	March 2013	Louis Zikman	
Smart Save	Health and Safety Agent	Aug 2010	March 2013	Louis Zikman	
Ikewe JV	Electrical Supply and Installation	Aug 2010	March 2013	Louis Zikman	
	TOTAL				R 115 713 037.53

APPENDIX I – MUNICIPAL ENTITY/ SERVICE PROVIDER PERFORMANCE SCHEDULE

N/A

APPENDIX J – DISCLOSURES OF FINANCIAL INTERESTS

N/A

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APPENDIX K (i): REVENUE COLLECTION PERFORMANCE BY VOTE

Revenue Collection Performance by Vote						
Vote Description	Year 0	Current Year: Year 1			Year 1 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
Executive and council Budget and treasury office	R164 709 R151 612 183	R1 443 910 R121 990 169	R1 443 910 R119 869 654	R1 985 889 R103 430 444	27% -18%	27% -16%
Community and social services	R1 364 052	R1 318 590	R4 663 720	R4 654 397	72%	0%
Sport and recreation	R2 063 052	R2 100 218	R2 100 218	R2 613 004	20%	20%
Public safety	R5 071 503	R4 024 515	R4 024 515	R3 284 885	-23%	-23%
Housing	R252 186	R260 270	R260 270	R250 433	-4%	-4%
Planning and development	R1 993 004	R1 127 438	R1 127 438	R1 538 008	27%	27%
Road transport	R5 517 060	R5 436 866	R5 436 866	R5 740 480	5%	5%
Electricity	R125 234 142	R156 080 624	R156 080 624	R156 610 977	0%	0%
Water	R27 153 985	R29 793 203	R29 793 203	R33 761 285	12%	12%
Waste water management	R25 070 885	R28 355 143	R28 355 143	R31 286 881	9%	9%
Waste management	R13 289 197	R19 405 541	R20 305 541	R21 600 438	10%	6%
Other	R16 425	R17 739	R17 739	R17 411	-2%	-2%
Total Revenue by Vote	R358 802 385	R371 354 225	R373 478 841	R366 774 532	136%	0
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A3</i>						
						T K.1

APPENDIX K (II): REVENUE COLLECTION PERFORMANCE BY SOURCE

Revenue Collection Performance by Source						
Description	Year 0	Year 1			Year 1 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
Property rates	R56 635 979	R58 907 560	R58 907 560	R60 458 431	3%	3%
Property rates - penalties & collection charges	R0	R0	R0	R0		
Service Charges - electricity revenue	R124 475 890	R154 563 183	R154 569 183	R147 893 764	-5%	-5%
Service Charges - water revenue	R25 669 146	R27 180 075	R27 180 075	R28 493 402	5%	5%
Service Charges - sanitation revenue	R16 789 188	R19 630 427	R19 630 427	R21 592 657	9%	9%
Service Charges - refuse revenue	R12 600 191	R13 821 103	R13 821 103	R12 846 062	-8%	-8%
Service Charges - other	R0	R0	R0	R0		
Rentals of facilities and equipment	R2 404 686	R2 262 337	R2 262 337	R2 913 351	22%	22%
Interest earned -	R11 325 914	R16 057 934	R16 057 934	R10 609 144	-51%	-51%

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external investments						
Interest earned -					6%	6%
outstanding debtors	R1 177 911	R1 222 269	R1 222 269	R1 295 263		
Dividends received	R0	R0	R0	R0		
Fines	R5 051 764	R4 036 415	R4 036 415	R3 284 706	-23%	-23%
Licences and permits	R2 713 417	R2 729 398	R2 729 398	R2 863 580	5%	5%
Agency services	R2 300 579	R2 413 744	R2 413 744	R2 412 348	0%	0%
Transfers recognised -					7%	2%
operational	R40 025 984	R37 843 667	R39 851 861	R40 634 600		
Other revenue	R15 959 539	R9 753 713	R9 042 134	R15 136 722	36%	40%
Gains on disposal of PPE	R6 071 687	R7 708 400	R7 708 400	R402 142	-1817%	-1817%
Environmental Protection						
Total Revenue (excluding capital transfers and contributions)	R323 201 874	R358 130 225	R359 432 841	R350 836 171	-2%	-2%
<i>Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual. This table is aligned to MBRR table A4.</i>						
						T K.2

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Conditional Grants: excluding MIG						
Details	Budget	Adjust-ments Budget	Actual	Variance		Major conditions applied by donor (continue below if necessary)
				Budget	Adjust-ments Budget	
Neighbourhood Development Partnership Grant						
Public Transport Infrastructure and Systems Grant						
Other Specify:						
Local Government Equitable Share	R 22 887 000	R 20 585 465	R 22 887 000	0.00%	10.06%	
Municipal Systems Improvement	R 790 000	R 1 243 351	R 821 304	3.81%	-51.39%	
Finance Management	R 1 250 000	R 1 605 330	R 1 599 684	21.86%	-0.35%	
Community Development: Workers	R 52 000	R 26 000	R 23 884	-117.72%	-8.86%	
Housing	R 11 577 667	R 11 685 667	R 0			

APPENDIX M: CAPITAL EXPENDITURE – NEW & UPGRADE/RENEWAL PROGRAMMES

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APPENDIX M (i): CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME

N/a

APPENDIX M (ii): CAPITAL EXPENDITURE - UPGRADE/RENEWAL PROGRAMME

Capital Expenditure - Upgrade/Renewal Programme*							
Description	Year 0	Year 1			Planned Capital expenditure		
	Actual	Original Budget	Adjustment Budget	Actual Expenditure	FY + 1	FY + 2	FY + 3
Capital expenditure by Asset Class							
Infrastructure - Total	R51 141 000	R62 184 000	R62 184 000	R88 684 072	R60 527 000	R62 893 000	R64 451 000
Infrastructure: Road transport -Total	R23 046 000	R28 022 000	R28 022 000	R16 188 984	R27 275 000	R28 341 000	R29 043 000
Roads, Pavements & Bridges	R23 046 000	R28 022 000	R28 022 000	R16 188 984	R27 275 000	R28 341 000	R29 043 000
Storm water							
Infrastructure: Electricity - Total	R10 381 000	R12 623 000	R12 623 000	R10 273 411	R12 286 000	R12 767 000	R13 083 000
Generation							
Transmission & Reticulation	R10 381 000	R12 623 000	R12 623 000	R10 273 411	R12 286 000	R12 767 000	R13 083 000
Street Lighting							
Infrastructure: Water - Total	R8 799 000	R10 699 000	R10 699 000	R2 517 310	R10 415 000	R10 821 000	R11 090 000
Dams & Reservoirs	R1 505 000	R1 830 000	R1 830 000	R34 412	R1 782 000	R1 851 000	R1 897 000
Water purification							
Reticulation	R7 294 000	R8 869 000	R8 869 000	R2 482 898	R8 633 000	R8 970 000	R9 193 000
Infrastructure: Sanitation - Total	R8 854 000	R10 766 000	R10 766 000	R59 637 703	R10 479 000	R10 889 000	R11 159 000
Reticulation	R8 854 000	R10 766 000	R10 766 000	R59 637 703	R10 479 000	R10 889 000	R11 159 000
Sewerage purification							
Infrastructure: Other - Total	R61 000	R74 000	R74 000	R66 664	R72 000	R75 000	R76 000
Waste Management	R61 000	R74 000	R74 000	R0	R72 000	R75 000	R76 000
Transportation							
Gas							
Other				R66 664			
Community	R3 021 000	R3 672 000	R3 672 000	R2 004 717	R3 573 000	R3 713 000	R3 806 000
Parks & gardens	R49 000	R59 000	R59 000	R1 288 269	R57 000	R60 000	R61 000
Sportsfields & stadia	R608 000	R739 000	R739 000	R716 448	R719 000	R747 000	R766 000
Swimming pools	R0	R0	R0				
Community halls	R1 819 000	R2 211 000	R2 211 000		R2 152 000	R2 236 000	R2 292 000
Libraries	R545 000	R663 000	R663 000		R645 000	R670 000	R687 000
Recreational facilities							
Fire, safety & emergency							
Security and policing							
Buses							
Clinics							
Museums & Art Galleries							
Cemeteries							
Social rental housing							
Other							
Heritage assets	R16 000	R19 000	R19 000	R0	R19 000	R20 000	R20 000
Buildings	R16 000	R19 000	R19 000		R19 000	R20 000	R20 000
Other							
Investment properties	R48 000	R59 000	R59 000	R0	R57 000	R59 000	R61 000

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Housing development Other	R48 000	R59 000	R59 000		R57 000	R59 000	R61 000
Other assets	R10 684 000	R12 991 000	R12 991 000	R16 903 902	R12 644 000	R13 137 000	R13 464 000
General vehicles	R2 267 000	R2 756 000	R2 756 000	R8 251 822	R2 683 000	R2 788 000	R2 857 000
Specialised vehicles	R686 000	R834 000	R834 000	R4 158 934	R811 000	R843 000	R864 000
Plant & equipment	R0	R0	R0				
Computers - hardware/equipment	R814 000	R990 000	R990 000	R439 877	R964 000	R1 001 000	R1 026 000
Furniture and other office equipment	R1 557 000	R1 893 000	R1 893 000	R3 208 797	R1 842 000	R1 914 000	R1 962 000
Abattoirs							
Markets							
Civic Land and Buildings							
Other Buildings	R5 019 000	R6 103 000	R6 103 000	R253 783	R5 940 000	R6 172 000	R6 325 000
Other Land	R1 000	R2 000	R2 000	R44 339	R2 000	R2 000	R2 000
Surplus Assets - (Investment or Inventory)	R33 000	R40 000	R40 000		R39 000	R40 000	R41 000
Other	R307 000	R373 000	R373 000	R546 350	R363 000	R377 000	R387 000
Agricultural assets	R0	R0		R0	R0	R0	R0
<i>List sub-class</i>							
Biological assets	R0	R0		R0	R0	R0	R0
<i>List sub-class</i>							
Intangibles	R26 000	R32 000	R32 000	R255 395	R31 000	R32 000	R33 000
Computers - software & programming	R26 000	R32 000	R32 000	R255 395	R31 000	R32 000	R33 000
Other (list sub-class)							
Total Capital Expenditure on renewal of existing assets	R64 936 000	R78 957 000	R78 957 000	R107 848 086	R76 851 000	R79 854 000	R81 835 000
Specialised vehicles	R0	R0		R0	R0	R0	R0
Refuse							
Fire							
Conservancy							
Ambulances							
<i>* Note: Information for this table may be sourced from MBRR (2009: Table SA34b)</i>							T M.2

APPENDIX N – CAPITAL PROGRAMME BY PROJECT YEAR 1

Capital Programme by Project: Year 1					
Capital Project	Original Budget	Adjustment Budget	Actual	Variance (Act - Adj) %	Variance (Act - OB) %
Water	R3 171 204	R2 224 000	R2 740 644	19%	-16%
CK 34796 Digger	R630 000	R661 404	R661 404	0%	5%
Water supply Darling Pump to reservoir	R950 000	R0	R0		
Water : Reservoir Riebeek Wes :Replacement of 2 old Reservoir.	R200 000	R200 000	R200 000	0%	0%

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Moorreesburg Water Pumpstation	R700 000	R1 162 000	R1 688 449	31%	59%
Water Pipeline Malmesbury/Kalbaskraal (PAWK SMITH)	R500 000	R0	R0		
Water Pipeline Malmesbury/Kalbaskraal -Donation is subject to VAT-Difference will be financed out of CRRF	R61 404	R0	R0		
New water pump: Sewerage pump (pumps water to Wesbank and Golf course)	R0	R42 366	R34 412	-23%	100%
Equipment : Water	R129 800	R129 800	R127 950	-1%	-1%
Water Works: Cable Detection Equipment		R28 430	R28 430	0%	100%
Sanitation/Sewerage	R58 699 849	R55 837 013	R61 700 048	10%	5%
Sewerage Works: Malmesbury	R40 380 108	R40 380 108	R46 271 558	13%	13%
Sewerage Works: Malmesbury	R11 974 000	R11 974 000	R11 974 000	0%	0%
Sewerage Works: Malmesbury - VAT	R1 470 491	R0	R0		
Upgrading of WWTW Riebeek Wes and Riebeek Kasteel	R2 167 500	R750 000	R750 000	0%	-189%
Sewerage: Koringberg	R461 250	R461 250	R461 250	0%	0%
Sewerage: Chatsworth	R400 000	R400 000	R389 030	-3%	-3%
Equipment Sewerage: Telemetry	R60 500	R32 070	R27 794	-15%	-118%
Equipment: Sewerage	R611 000	R600 000	R593 165	-1%	-3%
Equipment Sewerage : Sample taking Apparatus	R75 000	R75 000	R68 666	-9%	-9%
Sewerage CK 37920 Nissan ud60	R1 100 000	R1 025 438	R1 025 439	0%	-7%
Bakkie: Darling Sewerage Works (B. Sedres)		R139 147	R139 146	0%	100%
Electricity	R12 105 000	R12 053 140	R11 589 282	-4%	-4%
Equipment Electricity: Items Above R300		R105 000	R103 509	-1%	100%
Elect New power supply from main sub station - Malmesbury Sewerage plant	R1 200 000	R1 200 000	R1 156 224	-4%	-4%
Elect new Klipfontein regional		R0	R2 200	100%	100%
Elect Industrial substation extention - Malmesbury Sewerage Plant	R1 000 000	R1 000 000	R1 005 719	1%	1%
Elect Equipment replacements cable detector	R250 000	R250 000	R250 000	0%	0%
Elect Upgrading of Aging Electrical Networks	R8 500 000	R8 500 000	R8 109 267	-5%	-5%
Elect CK 17702	R700 000	R648 140	R628 140	-3%	-11%
Equipment: Electricity	R455 000	R350 000	R334 222	-5%	-36%
Housing			R3 042 470		
540 Behuising Projek Darling (R0	R1 569 675	100%	100%
Abbotsdale Housing Project: Professional Fees		R0	R505 533	100%	100%
Chatsworth Low Cost Housing:In		R0	R628 154	100%	100%
Chatsworth Low Cost Housing:In		R0	R115 325	100%	100%
Chatsworth Low Cost Housing:In		R0	R223 783	100%	100%
Refuse removal	R5 483 500	R4 817 013	R4 748 849	-1%	-15%
Equipment: Refuse Removal	R51 500	R30 000	R27 065	-11%	-90%
Recycling Igloos	R200 000	R200 000	R199 750	0%	0%
Composting: Grading Sieves	R150 000	R0	R0		
Refuse: Containers (X10) - composting	R200 000	R200 000	R157 550	-27%	-27%
Refuse: Containers (X10) - Yzerfontein/Kalbakraal/Chatsworth	R200 000	R200 000	R189 050	-6%	-6%
Equipment: Refuse bins, Traps, Skips (Swartland)	R32 000	R32 000	R16 500	-94%	-94%
Refuse CEA 7808	R1 000 000	R914 409	R914 409	0%	-9%
Refuse CK 17766	R400 000	R332 833	R332 833	0%	-20%

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Refuse CK 382	R1 000 000	R926 438	R926 438	0%	-8%
Refuse CK 29939	R1 900 000	R1 668 200	R1 672 121	0%	-14%
Refuse CK 17764	R350 000	R313 133	R313 133	0%	-12%
Streets and Stormwater	R12 581 534	R17 330 457	R17 207 470	-1%	27%
Resealing of Streets: Swartland area	R7 500 000	R7 500 000	R7 497 763	0%	0%
Upgrading of Streets : Swartla		R0	R4 300	100%	100%
Upgrading of Stormwater	R550 000	R550 000	R503 912	-9%	-9%
Equipment: Streets and Stormwater	R251 534	R242 834	R238 749	-2%	-5%
Darling: Akkerboomstraat 683m		R437 575	R424 623	-3%	100%
Darling: Botterboomstraat 845m		R559 814	R536 263	-4%	100%
Darling: Denneboomstraat 683m		R493 063	R491 222	0%	100%
Darling: Olieboomstraat 243m		R158 555	R157 380	-1%	100%
Darling: Silwerboomstraat 240m		R136 100	R136 100	0%	100%
Darling: Okkerneutstraat 185m		R134 258	R128 477	-4%	100%
Abbotsdale: Winkelstraat 1 148m		R81 865	R81 865	0%	100%
Riebeek Kasteel: Bloemstraat 165m		R106 584	R106 584	0%	100%
Riebeek Kasteel: Aandblomstraat 198m		R83 818	R82 771	-1%	100%
Riebeek Kasteel: Leeubekiestraat 85m		R36 026	R34 840	-3%	100%
Riebeek Kasteel: Mimosastraat 174m		R72 458	R69 192	-5%	100%
Riebeek Kasteel: Nemesiastraat 56m		R27 622	R26 911	-3%	100%
Riebeek Wes: Arkstraat 162m		R62 419	R61 436	-2%	100%
Riebeek Wes: Kachelhoffstraat 183m		R120 945	R120 945	0%	100%
Riebeek Wes: Waterkantstraat 235m		R111 195	R111 195	0%	100%
Riebeek Wes: Buitekantstraat 121m		R81 931	R81 931	0%	100%
Kalbaskraal: Tortelduifstraat 55m		R26 761	R26 761	0%	100%
Kalbaskraal: Kransvoelstraat 291m		R138 216	R134 935	-2%	100%
Kalbaskraal: Pikkewynstraat 48m		R22 974	R22 974	0%	100%
Kalbaskraal: Kokkewietstraat 206m		R93 543	R91 600	-2%	100%
Abbotsdale: Winkelstraat 1 148m		R484 142	R484 142	0%	100%
Moorreesburg: Weseinde		R54 375	R51 618	-5%	100%
Roads: Main Road 25 Kelder Pad 80/20		R1 700 000	R1 700 000	0%	100%
CK 33799 Digger Loader Replace	R1 500 000	R1 099 150	R1 099 150	0%	-36%
CK 274 Digger Loader Replace	R1 600 000	R1 495 420	R1 495 420	0%	-7%
CK 34833 Tipper Replace	R580 000	R479 667	R479 667	0%	-21%
Bakkie Mrb: (A Mentoer: Streets and Stormwater)		R139 147	R139 146	0%	100%
Pedestrian Pathways	R600 000	R600 000	R585 599	-2%	-2%
Economic development					
Sports, Arts & Culture	R700 000	R2 852 745	R2 369 682	-20%	70%
Broadcasting Booth: Gene Louw Sport Grounds Moorreesburg	R150 000	R198 512	R192 983	-3%	22%
Gene Louw - Fencing	R50 000	R60 800	R60 800	0%	18%
Kalbaskraal Sport Grounds (Lotto)		R50 000	R49 904	0%	100%
Upgrading of Sports Grounds: Riebeek Wes (Lotto)		R100 000	R0		
Swimming pool Malmesbury: New Tiles		R1 173 433	R1 173 094	0%	100%
Moorreesburg Swimming Pool: Upgrading of Chlorine System		R165 000	R131 043	-26%	100%

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Libraries:Airconditioners		R0	R111 182	100%	100%
Thusong Centre		R500 000	R0		
ECD Facilities	R500 000	R580 000	R631 968	8%	21%
Small Farmers Agriculture: Implementation of project		R25 000	R18 708	-34%	100%
Environment (Parks and Ammenities)	R1 276 800	R1 353 000	R1 333 483	-1%	4%
Parks CK 17609 Tractor Replace	R300 000	R239 000	R239 000	0%	-26%
Parks CK 19801 Tractor Replace	R300 000	R239 000	R239 000	0%	-26%
Parks CK 10284 Tractor Replace	R300 000	R239 000	R239 000	0%	-26%
Fencing : Sand Dunes -Yzerfont		R68 200	R66 664	-2%	100%
Equipment: Parks	R376 800	R567 800	R549 819	-3%	31%
Health					
Safety and Security	R1 230 000	R1 830 000	R1 814 114	-1%	32%
Mun Pol CK 10492 Bakkie Replace	R180 000	R0	R254 643	100%	29%
Mun PolCK 28977	R350 000	R350 000	R317 585	-10%	-10%
Mun PolCK 20370 Bakkie Replace		R180 000	R0		
Fire Fighting CK 19430 Bakkie Replace		R600 000	R524 063	-14%	100%
Equipment: Protection	R250 000	R250 000	R206 134	-21%	-21%
Equipment : Fire Fighting	R80 000	R80 000	R70 752	-13%	-13%
Mun Pol CK 15244	R260 000	R260 000	R239 290	-9%	-9%
Equipment Protection: Items above R300	R110 000	R110 000	R104 746	-5%	-5%
Upgrading Clinic for Municipal		R0	R96 901	100%	100%
ICT	R659 000	R743 000	R824 281	10%	20%
MS Software	R174 000	R174 000	R122 962	-42%	-42%
PABX Replacements	R161 000	R161 000	R160 358	0%	0%
TMS Software	R78 000	R78 000	R77 432	-1%	-1%
Xen	R50 000	R60 000	R55 000	-9%	9%
Terminal Replacements	R77 000	R67 000	R58 484	-15%	-32%
Scanner Replacements	R20 000	R20 000	R35 072	43%	43%
General Capital	R69 000	R69 000	R64 483	-7%	-7%
Wireless Network	R30 000	R30 000	R29 345	-2%	-2%
Tablets: Councillors (Unconditional Grant)		R12 000	R11 110	-8%	100%
Laptops: Councillors x 6		R72 000	R73 257	2%	100%
Computer: Finance Department		R0	R7 769	100%	100%
Flatscreen Tv: Mayor		R0	R16 439	100%	100%
Screen: Main Hall		R0	R70 885	100%	100%
Network Equipment: Libraries		R0	R25 245	100%	100%
Flatscreen Tv: Municipal Manager		R0	R16 440	100%	100%
Other	R441 770	R570 470	R477 764		
Chain: Speaker		R0	R8 180	100%	100%
Equipment Municipal Manager: Items Above R300	R16 500	R16 500	R7 777	-112%	-112%
Equipment Civil: Items Above R300	R157 300	R166 000	R164 137	-1%	4%
Equipment Council: Items Above R300	R11 770	R11 770	R0		
Equipment Corporate: Items Above R300	R48 400	R48 400	R47 430	-2%	-2%
Equipment Finance: Items above R300	R41 800	R41 800	R36 090	-16%	-16%

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Equipment Development: Items Above R300	R66 000	R66 000	R46 974	-41%	-41%
Equipment Corporate: Buildings, Swartland Halls	R100 000	R100 000	R59 838	-67%	-67%
Purchase of Land: Roads		R120 000	R107 337	-12%	100%
	R96 348 657	R99 610 838	R107 848 086		
T N					

APPENDIX O – CAPITAL PROGRAMME BY PROJECT BY WARD YEAR 1

Capital Programme by Project by Ward: Year 1			R' 000
Capital Project	Ward(s) affected	Works completed (Yes/No)	
Water			
CK 34796 Digger	All wards	Yes	
Water supply Darling Pump to reservoir		Yes	
Water : Reservoir Riebeek Wes :Replacement of 2 old Reservoir.	Ward 03	Yes	
Moorreesburg Water Pumpstation	Ward 01 & 02	Yes	
New water pump: Sewerage pump (pumps water to Wesbank and Golf course	Various wards	Yes	
Equipment : Water	All wards	Yes	
Water Works: Cable Detection Equipment	All wards	Yes	
Sanitation/Sewerage		Yes	
Sewerage Works: Malmesbury	Various wards	No	
Sewerage Works: Malmesbury	Various wards	No	
Upgrading of WWTW Riebeek Wes and Riebeek Kasteel	ward 12	No	
Sewerage: Koringberg	Ward 01	No	
Sewerage: Chatsworth	Ward 04	Yes	
Equipment Sewerage: Telemetry	All wards	Yes	
Equipment: Sewerage	All wards	Yes	
Equipment Sewerage : Sample taking Apparatus	Ward 05 & 06	Yes	
Sewerage CK 37920 Nissan ud60	All wards	Yes	
Bakkie: Darling Sewerage Works (B. Sedres)	Ward 05 & 06	Yes	
Electricity			
Equipment Electricity: Items Above R300	All wards	Yes	
Elect New power supply from main sub station - Malmesbury Sewerage plant	Various wards	Yes	
Elect new Klipfontein regional	All wards	Yes	
Elect Industrial substation extention - Malmesbury Sewerage Plant	Various wards	Yes	
Elect Equipment replacements cable detector	All wards	Yes	
Elect Upgrading of Aging Electrical Networks	All wards	Yes	
Elect CK 17702	All wards	Yes	
Equipment: Electricity	All wards	Yes	
Housing			
540 Behuising Projek Darling (Ward 04	Yes	
Abbotsdale Housing Project: Professional Fees	Ward 07	Yes	

APPENDICES

Chatsworth Low Cost Housing:In	Ward 04	Yes
Chatsworth Low Cost Housing:In	Ward 04	Yes
Chatsworth Low Cost Housing:In	Ward 04	Yes
Refuse removal		
Equipment: Refuse Removal	All wards	Yes
Recycling Igloos	All wards	Yes
Composting: Grading Sieves		
Refuse: Containers (X10) - composting	Various wards	Yes
Refuse: Containers (X10) - Yzerfontein/Kalbakraal/Chatsworth	Various wards	Yes
Equipment: Refuse bins, Traps, Skips (Swartland)	All wards	Yes
Refuse CEA 7808	All wards	Yes
Refuse CK 17766	All wards	Yes
Refuse CK 382	All wards	Yes
Refuse CK 29939	All wards	Yes
Refuse CK 17764	All wards	Yes
Streets and Stormwater		
Resealing of Streets: Swartland area	All wards	Yes
Upgrading of Streets : Swartla	All wards	Yes
Upgrading of Stormwater	All wards	Yes
Equipment: Streets and Stormwater	All wards	Yes
Darling: Akkerboomstraat 683m	Ward 06	Yes
Darling: Botterboomstraat 845m	Ward 06	Yes
Darling: Denneboomstraat 683m	Ward 06	Yes
Darling: Olieboomstraat 243m	Ward 06	Yes
Darling: Silwerboomstraat 240m	Ward 06	Yes
Darling: Okkerneutstraat 185m	Ward 06	Yes
Abbotsdale: Winkelstraat 1 148m	Ward 07	Yes
Riebeek Kasteel: Bloemstraat 165m	Ward 12	Yes
Riebeek Kasteel: Aandblomstraat 198m	Ward 12	Yes
Riebeek Kasteel: Leeubekkiestraat 85m	Ward 12	Yes
Riebeek Kasteel: Mimosastraat 174m	Ward 12	Yes
Riebeek Kasteel: Nemesiastraat 56m	Ward 12	Yes
Riebeek Wes: Arkstraat 162m	Ward 03	Yes
Riebeek Wes: Kachelhoffstraat 183m	Ward 03	Yes
Riebeek Wes: Waterkantstraat 235m	Ward 03	Yes
Riebeek Wes: Buitekantstraat 121m	Ward 03	Yes
Kalbaskraal: Tortelduifstraat 55m	Ward 07	Yes
Kalbaskraal: Kransvoelstraat 291m	Ward 07	Yes
Kalbaskraal: Pikkewynstraat 48m	Ward 07	Yes
Kalbaskraal: Kokkewietstraat 206m	Ward 07	Yes
Moorreesburg: Weseinde	Wards 1 & 2	Yes
Roads: Main Road 25 Kelder Pad 80/20	Ward 08	Yes
CK 33799 Digger Loader Replace	All wards	Yes
CK 274 Digger Loader Replace	All wards	Yes
CK 34833 Tipper Replace	Various wards	Yes
Bakkie Mrb: (A Mentoer: Streets and Stormwater)	Ward 01 & 02	Yes
Pedestrian Pathways	ward 05 & 06	Yes

APPENDICES

Economic development		
Sports, Arts & Culture		
Broadcasting Booth: Gene Louw Sport Grounds Moorreesburg	Ward 02	Yes
Gene Louw - Fencing	Ward 02	Yes
Kalbaskraal Sport Grounds (Lotto)	ward 07	No
Upgrading of Sports Grounds: Riebeek Wes (Lotto)	Ward 03	No
Swimming pool Malmesbury: New Tiles	Various	Yes
Moorreesburg Swimming Pool: Upgrading of Chlorine System	Ward 01 & Ward 02	Yes
Libraries: Air conditioners	Various	Yes
Thusong Centre	Ward 09	No
ECD Facilities	All wards	Yes
Small Farmers Agriculture: Implementation of project	Ward 05 & 06	No
Environment (Parks and Amenities)		
Parks CK 17609 Tractor Replace	All Wards	Yes
Parks CK 19801 Tractor Replace	All Wards	Yes
Parks CK 10284 Tractor Replace	All Wards	Yes
Fencing : Sand Dunes -Yzerfont	Ward 05	Yes
Equipment: Parks	All Wards	Yes
Health		
Safety and Security		
Mun Pol CK 10492 Bakkie Replace	All Wards	Yes
Mun PolCK 28977	All Wards	Yes
Mun PolCK 20370 Bakkie Replace	All Wards	Yes
Fire Fighting CK 19430 Bakkie Replace	All Wards	Yes
Equipment: Protection	All Wards	Yes
Equipment : Fire Fighting	All Wards	Yes
Mun Pol CK 15244	All Wards	Yes
Equipment Protection: Items above R300	All Wards	Yes
Upgrading Clinic for Municipal	All Wards	Yes
ICT		
MS Software	All Wards	Yes
PABX Replacements	All Wards	Yes
TMS Software	All Wards	Yes
Xen	All Wards	Yes
Terminal Replacements	All Wards	Yes
Scanner Replacements	All Wards	Yes
General Capital	All Wards	Yes
Wireless Network	All Wards	Yes
Tablets: Councillors (Unconditional Grant)	All Wards	Yes
Laptops: Councillors x 6	All Wards	Yes
Computer: Finance Department	All Wards	Yes
Flatscreen Tv: Mayor	All Wards	Yes

APPENDICES

Screen: Main Hall	All Wards	Yes
Network Equipment: Libraries		
Flatscreen Tv: Municipal Manager	All Wards	Yes
Other		
Chain: Speaker	All Wards	Yes
Equipment Municipal Manager: Items Above R300	All Wards	Yes
Equipment Civil: Items Above R300	All Wards	Yes
Equipment Council: Items Above R300	All Wards	Yes
Equipment Corporate: Items Above R300	All Wards	Yes
Equipment Finance: Items above R300	All Wards	Yes
Equipment Development: Items Above R300	All Wards	Yes
Equipment Corporate: Buildings, Swartland Halls	All Wards	Yes
Purchase of Land: Roads	Ward 03	Yes
T O		

APPENDIX P – SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS

N/a

APPENDIX Q – SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

N/a

APPENDIX R – DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the municipality: Year 1				
All Organisation or Person in receipt of Loans */Grants* provided by the municipality	Nature of project	Conditions attached to funding	Value Year 1 R' 000	Total Amount committed over previous and future years
Darling Focus	Social upliftment	No	R 40 000	R 0
Huis van Heerde	Social upliftment	No	R 25 000	R 0
SPCA	Domestic Animal management	No	R 168 540	R 0
ECD Centres	Social upliftment	No	R 40 000	R 0
Elkana Childcare	Social upliftment	No	R 45 000	R 0
Multi Purpose Centre: Illinge Lethu	Social upliftment	No	R 42 327	R 0
Multi Purpose Centre: Kalbaskraal	Social upliftment	No	R 4 469	R 0
Museum - Malmesbury	Museums	No	R 41 200	R 0
Museum - Darling	Museums	No	R 41 200	R 0
Museum - Oude Kerk	Museums	No	R 41 200	R 0
Museum - Wheat Industry	Museums	No	R 41 200	R 0
National Sea Rescue Institute	Safety	No	R 30 000	R 0
Night Shelter	Social upliftment	No	R 25 000	R 0
"Ons Kan" Training Centre	Social upliftment	No	R 20 000	R 0
Tourism Swartland and Coastal Area	Tourism	No	R 575 619	R 0

APPENDICES

Yzerfontein Conservancy	Conservation	No	R 50 000	R 0
<i>* Loans/Grants - whether in cash or in kind</i>				T R

APPENDIX S – DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

None

APPENDIX T – NATIONAL AND PROVINCIAL OUTCOMES FOR LOCAL GOVERNMENT

N/a

VOLUME II: Annual Financial Statements

VOLUME II: ANNUAL FINANCIAL STATEMENTS



Munisipaliteit
Municipality
Umasipala

2011/2012



Annual Financial Statements



SWARTLAND MUNICIPALITY

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SWARTLAND MUNICIPALITY

GENERAL INFORMATION

EXECUTIVE MAYOR	Councillor T van Essen
DEPUTY MAYOR	Councillor M S I Goliath
SPEAKER	Not yet elected.

MEMBERS OF THE EXECUTIVE MAYORAL COMMITTEE:

Chairperson	Councillor T van Essen
Member	Councillor M S I Goliath
Member	Councillor C H H Hunsinger
Member	Councillor M van Zyl
Member	Councillor Van der Westhuizen R F
Member	Councillor W Wilskut

CHAIRPERSONS OF THE PORTFOLIO COMMITTEES :

Administration and Finance Portfolio	Councillor N J A Rust
Community Safety Portfolio	Councillor A C Sedeman
Development Services Portfolio	Councillor A C Sedeman
Technical Services Portfolio	Councillor O M Stemele

MEMBERS OF THE FINANCIAL AUDIT COMMITTEE:

Chairperson	Mr J M Becker
Member	Ms M F Allie
Member	Mr C B de Jager
Member	Mr J J Scholtz

MEMBERS OF THE PERFORMANCE AUDIT COMMITTEE:

Chairperson	Mr J M Becker
Member	Ms M F Allie
Member	Mr C B de Jager
Member	Mr A J B Dippenaar

GRADING OF THE LOCAL AUTHORITY: Grade 4

AUDITORS:

Auditor-General			
1 st Floor East Block			
Business Connexion Building			
Ring Road	Private Bag X 1		
Century City	Chempet	Telephone	021-528 4100
7441	7442	Fax	021-528 4201

BANKERS:

ABSA Bank			
50 Voortrekker Road	P.O. Box 75		
MALMESBURY	MALMESBURY	Telephone	022-482 7900
7300	7299	Fax	022-487 2026

REGISTERED OFFICE:

Church Street	Private Bag X 52		
MALMESBURY	MALMESBURY	Telephone	022-487 9400
7300	7299	Fax	022-487 9440

MUNICIPAL MANAGER:

J J Scholtz

DIRECTOR: FINANCIAL SERVICES:

K C Cooper


COUNCIL MEMBERS OF THE SWARTLAND MUNICIPALITY

<i>Councillor</i>	<i>Councillor</i>	<i>Councillor</i>	<i>Councillor</i>
Abrahams Z	Goliath M S I	Rust N J A	Van der Westhuizen R F
Cleophas J H	Humphreys F S	Sedeman A C	Van Essen T
Cloete C M	Hunsinger C	Sneewe A M	Van Zyl M
Cox-Bruintjies Y S	Papers C H	Stanley B J	Wilskut W
Fortuin C	Philander D B	Stemele O M	Zatu N S
Geel B W	Rangasamy M	Van der Merwe J I	

SWARTLAND MUNICIPALITY**ANNUAL FINANCIAL STATEMENTS****for the year ended****30 June 2012*****APPROVAL OF FINANCIAL STATEMENTS***

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 89 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 33 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.



J J Scholtz
Municipal Manager

31/08/2012
Date

SWARTLAND MUNICIPALITY**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2012**

	Note	2012 R	2011 Restated R
ASSETS			
Current assets		270,246,813	215,909,145
Inventory	2	5,074,623	5,065,559
Trade Receivables from Exchange Transactions	3	33,129,586	28,856,440
Trade Receivables from Non-Exchange Transactions	4	11,937,293	13,918,736
Investments	5	-	71,841,096
Cash and Cash Equivalents	6	219,210,799	95,402,748
Operating Lease Assets	7	48,002	51,334
VAT	25	823,089	749,716
Current Portion of Finance Lease Receivables	12	11,005	12,350
Current Portion of Long-term Receivables	13	12,416	11,166
Non-current assets		1,762,109,243	1,726,072,917
Property, plant and equipment	8	1,727,372,534	1,691,449,024
Intangible Assets	10	314,445	128,456
Investment property	11	33,964,103	34,013,854
Finance lease receivables	12	215,458	226,464
Long- term receivables	13	242,703	255,119
Total Assets		2,032,356,056	1,941,982,062
LIABILITIES			
Current liabilities		64,717,238	57,761,454
Consumer deposits	14	6,287,042	5,791,841
Provisions	15	4,939,303	4,336,481
Creditors	16	41,921,126	39,796,747
Unspent conditional grants and receipts	17	4,664,517	3,182,004
VAT	18	-	-
Operating lease liability	7	79,560	71,004
Current portion of long-term liabilities	20	6,825,690	4,583,377
Non-current liabilities		179,987,665	78,116,082
Long-term liabilities	20	146,682,594	49,166,600
Provision for post- retirement medical aid benefits	21	28,179,291	24,658,015
Other non-current provisions	22	5,125,780	4,291,467
Total Liabilities		244,704,903	135,877,536
NET ASSETS			
Total Net Assets		1,787,651,153	1,806,104,526
Housing Development Fund	23	481,582	625,764
Accumulated Surplus	24	1,787,169,571	1,805,478,762
Total Net Assets and Liabilities		2,032,356,056	1,941,982,062

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2012

Budget 2011 R	Budget 2012 R		Note	Actual 2012 R	Actual 2011 R
REVENUE					
160,398,804	129,293,376	Revenue from Non-exchange Transactions		125,994,168	151,428,523
55,402,421	58,907,558	Taxation Revenue		60,458,431	56,635,979
55,402,421	58,907,558	Property rates	26	60,458,431	56,635,979
84,839,823	53,897,861	Transfer Revenue		56,572,961	78,655,097
61,417,082	34,696,396	Conditional Government grants and subsidies	30	33,484,186	50,776,446
23,422,741	19,201,465	Unconditional Government and other grants		23,084,169	24,634,940
-	-	Donated Property, Plant and Equipment		4,606	3,243,711
11,500,000	7,308,400	Sale of Land Inventories		402,142	6,071,687
11,500,000	7,308,400	Revenue on sale of land		410,000	6,297,500
-	-	Cost of land sold		7,858	225,813
8,656,560	9,179,557	Other Revenue		8,560,634	10,065,760
3,671,245	4,036,415	Fines		3,284,706	5,051,764
2,635,315	2,729,398	Licences and permits		2,863,580	2,713,417
2,350,000	2,413,744	Income for agency services		2,412,348	2,300,579
-	-	Other		-	-
210,030,242	243,785,465	Revenue from Exchange Transactions		240,780,364	207,158,752
184,138,292	215,194,788	Service charges	27	210,825,884	179,534,413
1,779,333	2,262,337	Rental of facilities and equipment	29	2,913,351	2,404,686
11,884,533	16,057,934	Interest earned - external investments	28	10,609,144	11,325,914
1,033,200	1,222,268	Interest earned - outstanding debtors	28	1,295,263	1,177,911
11,194,884	9,048,138	Other revenue	31	15,136,722	12,715,828
370,429,046	373,078,841	Total Revenue		366,774,532	358,587,275
EXPENDITURE					
101,890,338	110,558,707	Employee related costs	32	110,426,517	100,687,815
5,747,480	6,554,390	Remuneration of Councillors	33	6,619,179	5,284,578
1,470,000	1,706,148	Impairment loss	3/4	1,473,331	1,434,132
73,602,871	78,957,578	Depreciation and Amortisation	34	67,006,353	64,935,268
17,357,304	17,018,369	Repairs and maintenance		15,437,681	15,430,738
5,193,248	15,029,959	Interest paid	35	5,254,722	6,269,675
103,626,347	127,276,982	Bulk purchases	36	122,558,351	100,398,750
2,861,420	3,210,438	Contracted services		3,104,007	2,884,480
1,361,060	1,253,560	Grants and subsidies paid	37	1,230,755	1,084,029
60,637,634	61,004,181	General expenses	39	48,788,386	49,884,483
-	-	Loss on disposal of property, plant and equipment		3,328,623	825,805
373,747,702	422,570,312	Total Expenditure		385,227,905	349,119,753
(3,318,656)	(49,491,471)	OPERATING SURPLUS/(DEFICIT) FOR THE YEAR		(18,453,373)	9,467,522
Other income:					
110,000	400,000	Gains on disposal of property, plant and equipment		-	215,109
(3,208,656)	(49,091,471)	SURPLUS/(DEFICIT) FOR THE YEAR		(18,453,373)	9,682,631

Refer to Appendix E (1) for explanation of variances

SWARTLAND MUNICIPALITY**STATEMENT OF CHANGES IN NET ASSETS**
FOR THE YEAR ENDED 30 JUNE 2012

	Housing Development Fund R	Accumulated Surplus/ (Deficit) R	Total R
Balance at 01 July 2010	1,485,459	1,797,378,294	1,798,863,753
Correction of error and changes in accounting policy (Note 56)	-	(2,441,858)	(2,441,858)
Restated balance	1,485,459	1,794,936,436	1,796,421,895
Correction of error and changes in accounting policy (Note 56)		-	-
Restated Surplus/(Deficit) for the year	-	9,682,631	9,682,631
Transfer from Housing Development Fund	(859,695)	859,695	-
Restated Balance at 30 June 2011	625,764	1,805,478,762	1,806,104,526
Surplus for the year	-	(18,453,373)	(18,453,373)
Transfer from Housing Development Fund	(144,182)	144,182	-
Balance at 30 June 2012	481,582	1,787,169,571	1,787,651,153

SWARTLAND MUNICIPALITY**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2012**

	Note	2012	2011
		R	Restated R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		355,854,651	343,889,121
Cash paid to suppliers and employees		(302,625,966)	(277,786,396)
Cash generated from operations	40	53,228,685	66,102,725
Interest received		10,609,144	11,325,914
Interest paid		(5,254,722)	(6,269,675)
NET CASH FROM OPERATING ACTIVITIES		58,583,107	71,158,964
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	8	(107,588,084)	(82,998,989)
Purchase of intangible assets	10	(255,395)	(56,177)
Purchase of investment properties	11	-	(1,817,900)
Proceeds on disposal of property, plant and equipment		1,445,503	6,382,505
Decrease in long- term receivables		23,517	59,778
Increase in investments		71,841,096	(71,841,096)
NET CASH FROM INVESTING ACTIVITIES		(34,533,363)	(150,271,879)
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised		105,477,890	17,196
Loans repaid		(5,719,583)	(13,760,541)
NET CASH FROM FINANCING ACTIVITIES		99,758,307	(13,743,345)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		123,808,051	(92,856,260)
		123,808,051	(92,856,260)
Cash and cash equivalents at the beginning of the year		95,402,748	188,259,008
Cash and cash equivalents at the end of the year	6	219,210,799	95,402,748

SWARTLAND MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1. BASIS OF PRESENTATION

The Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with the historical cost convention, except where otherwise indicated.

The financial statements have been prepared in accordance with the effective Standards of Generally Recognised Accounting Practices (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003).

1. 1 CHANGES IN ACCOUNTING POLICY AND COMPARABILITY

Accounting Policies have been consistently applied, except where otherwise indicated:

The municipality changes an accounting policy only in the following instances:

- (a) if it is required by a Standard of GRAP; or
- (b) if it results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the entity's financial position, financial performance or cash flow.

1. 2 CRITICAL JUDGEMENTS, ESTIMATIONS AND ASSUMPTIONS

The following are the critical judgements, apart from those involving estimations, that management have made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in the Annual Financial Statements:

1. 2. 1 Revenue Recognition

Accounting Policy 10.2 on *Revenue from Exchange Transactions* and Accounting Policy 10.3 on *Revenue from Non-exchange Transactions* describes the conditions under which revenue will be recorded by the management of the municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: *Revenue from Exchange Transactions* and GRAP 23: *Revenue from Non-Exchange Transactions* (see Basis of Preparation above). In particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. Also of importance is the estimation process involved in initially measuring revenue at the fair value thereof. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

1. 2. 2 Financial assets and liabilities

The classification of financial assets and liabilities, into categories, is based on judgement by management. Accounting Policy 6.1 on *Financial Instruments Classification* describes the factors and criteria considered by the management of the municipality in the classification of financial assets and liabilities.

In making the above-mentioned judgement, management considered the definition and recognition criteria for the classification of financial instruments as set out in GRAP 104: *Financial Instruments*.

1. 2. 3 Impairment of Financial Assets

Accounting Policy 6.3 on *Impairment of Financial Assets* describes the process followed to determine the value by which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in GRAP 104: *Financial Instruments*. The management of the municipality is satisfied that the impairment of financial assets recorded during the year is appropriate.

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

1. 2. 4 Useful lives of Property, Plant and Equipment

As described in Accounting Policies 3.3, 4 and 5 the municipality depreciates/ amortises its property, plant and equipment, investment property and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use. The useful lives of assets are based on management's estimation. Management considered the impact of technology, availability of capital funding, service requirements and required return on assets in order to determine the optimum useful life expectation, where appropriate.

The estimation of residual values of assets is based on management's judgement as to whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

SWARTLAND MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1. BASIS OF PRESENTATION (continued)

1. 2 CRITICAL JUDGEMENTS, ESTIMATIONS AND ASSUMPTIONS (continued)

1. 2. 5 *Impairment: Write down of Property, Plant and Equipment and Inventories*

Accounting Policy 3.9 on *PPE - Impairment of assets* and Accounting Policy 4.2 on *Intangible assets - Subsequent Measurement, Amortisation and Impairment*, Accounting Policy 8.2 on *Inventory - Subsequent measurement* describe the conditions under which non-financial assets are tested for potential impairment losses by the management of the municipality. Significant estimates and judgements are made relating to PPE impairment testing, Intangible assets impairment testing and write down of Inventories to Net Realisable Values (NRV).

In making the above-mentioned estimates and judgement, management considered the subsequent measurement criteria and indicators of potential impairment losses as set out in GRAP 17: Property, Plant and Equipment, GRAP 12: Inventory and GRAP 102: Intangible assets. In particular, the calculation of the recoverable service amount for PPE and intangible assets and the NRV for inventories involves significant judgment by management.

1. 2. 6 *Water inventory*

The estimation of the water stock in the reservoirs is based on the measurement of water via electronic level sensors. The level indicates the depth of the water in the reservoir, which is then converted into volumes based on the total capacity of the relevant reservoir. Refer to Note 8.2 of the accounting policy to the Annual Financial Statements.

1. 2. 7 *Defined Benefit Plan Liabilities*

As described in Accounting Policy 13, the municipality obtains actuarial valuations of its defined benefit plan liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in Notes 21 and 22 to the Annual Financial Statements.

1. 2. 8 *Provisions and Contingent Liabilities*

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities as set out in notes 20 and 21 and in note 49.

1. 3 PRESENTATION CURRENCY

The Annual Financial Statements are presented in South African Rand, rounded off to the nearest Rand, which is the municipality's functional currency.

1. 4 GOING CONCERN ASSUMPTION

The Annual Financial Statements have been prepared on a going concern basis.

1. 5 OFFSETTING

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

1. 6 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following GRAP standards were issued but are not yet effective and have not been early adopted by the municipality:

- GRAP 18 Segment Reporting - issued March 2005
- GRAP 21 Impairment of Non-cash-generating Assets - issued March 2009
- GRAP 23 Revenue from Non-Exchange Transactions (Taxes and Transfers) - issued February 2008
- GRAP 24 Presentation of Budget Information in Financial Statements - issued November 2007
- GRAP 25 Employee Benefits - issued December 2009
- GRAP 26 Impairment of Cash-generating Assets - issued March 2009
- GRAP 105 Transfers between entities under common control - issued November 2010
- GRAP 106 Transfers between entities not under common control - issued November 2010
- GRAP 107 Mergers - issued November 2010

The Municipality resolved to early adopt the GRAP 104: Financial Instruments, which had been issued but was not effective during the 2011/2012 financial period.

SWARTLAND MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

1. BASIS OF PRESENTATION (continued)

1. 6 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (continued)

The Minister of Finance announced that the application of GRAP 21, GRAP 23, GRAP 24, GRAP 26, GRAP 103 and GRAP 104 will be effective for period starting after 1 April 2012. All other standards as listed above will only be effective when a date is announced by the Minister of Finance.

The Municipality applied the principles established in the following Standards of GRAP that have been issued, but is not yet in effect, in developing appropriate accounting policies dealing with the following transactions, but have not early adopted these Standards:

Impairment of Non-cash-generating Assets (GRAP 21 - issued March 2009)
 Revenue from Non-Exchange Transactions (GRAP 23 - issued February 2008)
 Employee Benefits (GRAP 25 - issued December 2009)
 Impairment of Cash-generating Assets (GRAP 26 - issued March 2009)

Management has considered all of the above-mentioned GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality as, either the information to a large extent is already included in the notes to the annual financial statements, or the Municipality does not participate in such business transactions.

2. HOUSING DEVELOPMENT FUND

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from National and Provincial Government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to the Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund.

In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

3. PROPERTY, PLANT AND EQUIPMENT

3. 1 Initial Recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the municipality, and if the cost or fair value of the item can be measured reliably.

Property, plant and equipment are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

SWARTLAND MUNICIPALITY**ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2012**3. PROPERTY, PLANT AND EQUIPMENT (continued)****3. 2 Subsequent Measurement**

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequently all property plant and equipment, including Infrastructure Assets, are measured at cost (or deemed cost), less accumulated depreciation and accumulated impairment losses.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

3. 3 Depreciation

Land is not depreciated as it is regarded as having an unlimited life. Depreciation on assets other than land is calculated on cost, using the straight line method, to allocate their cost or revalued amounts to their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. The depreciation rates are initially based on the following originally estimated useful lives and thereafter on the estimated remaining useful lives as at year-end:

Depreciation only commences when the asset is available for use, unless stated otherwise.

	Years		Years
<i>Infrastructure</i>		<i>Buildings</i>	5 - 50
Roads and Paving	10 - 100		
Stormwater	50	<i>Other</i>	
Electricity	10 - 50	Specialist Vehicles	5 - 20
Water	10 - 100	Other Vehicles	5 - 10
Sewerage	10 - 100	Office Equipment	3 - 7
Landfill Sites	10 - 50	Furniture and Fittings	7 - 10
		Watercraft	15
<i>Community</i>		Bins and Containers	5
Recreational Facilities	10 - 60	Specialised Plant and Equipment	10 - 15
Security	5	Other items of Plant and Equipment	2 - 5

The assets' residual values, estimated useful lives and depreciation method are reviewed annually, and adjusted prospectively if appropriate, at each reporting date.

3. 4 Incomplete Construction Work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is available for use.

3. 5 Finance Leases

Assets capitalised under finance leases are depreciated over their expected useful lives on the same basis as PPE controlled by the entity or where shorter, the term of the relevant lease if there is no reasonable certainty that the municipality will obtain ownership by the end of the lease term.

3. 6 Heritage Assets

Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated owing to uncertainty regarding their estimated useful lives.

3. 7 Infrastructure Assets

Infrastructure assets are any assets that are part of a network of similar assets. Infrastructure assets are shown at cost less accumulated depreciation and accumulated impairment. Infrastructure assets are treated similarly to all other assets of the municipality in terms of the asset management policy.

SWARTLAND MUNICIPALITY**ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012****3. PROPERTY, PLANT AND EQUIPMENT (continued)****3. 8 Housing Development Fund Assets**

The Housing Development Fund contains letting schemes that are included in Council's Property Plant and Equipment. All surpluses generated from the letting schemes are transferred to the Housing Development Fund.

3. 9 Derecognition of property, plant and equipment

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. Gains are not included in revenue.

Gains or losses are calculated as the difference between the net book value of assets (cost less accumulated depreciation and accumulated impairment losses) and the sales proceeds are included in the Statement of Financial Performance as a gain or loss on disposal of property, plant and equipment.

3. 10 Impairment of assets

The entity classifies all assets held with the primary objective of generating a commercial return as cash-generating assets. All other assets are classified as non-cash-generating assets.

3. 10. 1 Impairment of Cash generating assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the individual asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

3. 10. 2 Impairment of Non-Cash generating assets

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use. The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

SWARTLAND MUNICIPALITY**ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012****3. PROPERTY, PLANT AND EQUIPMENT (continued)****3. 10 Impairment of assets (continued)****3. 10. 2 Impairment of Non-Cash generating assets (continued)**

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An impairment loss is recognised for non- cash generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

4. INTANGIBLE ASSETS**4. 1 Initial Recognition**

Identifiable non-monetary assets without physical substance are classified and recognised as intangible assets. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria is fulfilled:

- it is technically feasible to complete the intangible asset so that it will be available for use;
- management intends to complete the intangible asset and use or sell it;
- there is an ability to use or sell the intangible asset;
- it can be demonstrated how the intangible asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet this criteria is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life, not exceeding five years. Development cost assets are tested for impairment annually.

Intangible assets are initially recognised at cost. The cost of an intangible asset is the purchase price and other costs attributable to bring the intangible asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. Intangible assets acquired separately or internally generated are reported at cost less accumulated amortisation and accumulated impairment losses. Where an intangible asset is acquired at no cost or for a nominal consideration, its cost is its fair value as at the date it is acquired. Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at the fair value of the asset given up, unless the fair value of the asset received is more clearly evident. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up. If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

SWARTLAND MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

4. INTANGIBLE ASSETS (continued)

4. 2 Subsequent Measurement, Amortisation and Impairment

After initial recognition, an intangible asset are carried at its cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is charged on a straight-line basis over the intangible assets' useful lives, which are estimated to be between 3 to 5 years. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised, for example servitudes obtained by the municipality give the municipality access to land for specific purposes for an unlimited period - however, such intangible assets are subject to an annual impairment test.

Intangible assets are annually tested for impairment, including intangible assets not yet available for use. Where items of intangible assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation. The impairment loss is the difference between the carrying amount and the recoverable amount.

The estimated useful life, residual values and amortisation method are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively as a change in accounting estimate in the Statement of Financial Performance.

4. 3 Derecognition

Intangible assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

5. INVESTMENT PROPERTY

5. 1 Initial Recognition

Investment property includes property (land or a building, or part of a building, or both land or buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

Based on management's judgement, the following criteria have been applied to distinguish investment properties from owner occupied property or property held for resale:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties;
- Land held for a currently undetermined future use. (If the Municipality has not determined that it will use the land as owner-occupied property or for short-term sale in the ordinary course of business, the land is regarded as held for capital appreciation);
- A building owned by the entity (or held by the entity under a finance lease) and leased out under one or more operating leases (this will include the property portfolio rented out by the Housing Board on a commercial basis on behalf of the municipality); and
- A building that is vacant but is held to be leased out under one or more operating leases on a commercial basis to external parties.

The following assets do not fall in the ambit of Investment Property and shall be classified as Property, Plant and Equipment, Inventory or Non-Current Assets Held for Sale, as appropriate:

- Property intended for sale in the ordinary course of operations or in the process of construction or development for such sale;
- Property being constructed or developed on behalf of third parties;
- Owner-occupied property, including (among other things) property held for future use as owner-occupied property, property held for future development and subsequent use as owner-occupied property, property occupied by employees such as housing for personnel (whether or not the employees pay rent at market rates) and owner-occupied property awaiting disposal;
- Property that is being constructed or developed for future use as investment property;
- Property that is leased to another entity under a finance lease;
- Property held to provide a social service and which also generates cash inflows, e.g. property rented out below market rental to sporting bodies, schools, low income families, etc; and
- Property held for strategic purposes or service delivery.

SWARTLAND MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

5. INVESTMENT PROPERTY (continued)

5. 2 Subsequent Measurement - Cost Model

Investment property is measured using the cost model. Investment Property is stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on cost, using the straight-line method over the useful life of the property, which is estimated at 20 - 30 years. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately.

The gain or loss arising on the disposal of an investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

5. 3 Subsequent Measurement - Cost Model

An investment property shall be derecognised (eliminated from the statement of financial position) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

6. FINANCIAL INSTRUMENTS

The municipality has various types of financial instruments and these can be broadly categorised as either *Financial Assets* or *Financial Liabilities*. The municipality only recognises a financial instrument when it becomes a party to the contractual provisions of the instrument.

6. 1 Financial Instruments - Classification

In accordance with GRAP 104 the Financial Assets and Financial Liabilities of the municipality are classified as follows into the three categories allowed by this standard:

Financial assets (or financial liabilities) at amortised cost are non-derivative financial instruments with fixed or determinable payments that are not quoted in an active market. They are included in current assets or current liabilities, except for maturities greater than 12 months, which are classified as non-current. Financial assets (or financial liabilities) at amortised cost are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial instrument. After initial recognition Financial Assets are measured at amortised cost, using the effective interest rate method less a provision for impairment.

Financial assets (or financial liabilities) at fair value are financial assets that meet either of the following conditions:

- (a) derivatives;
- (b) combined instruments that are designated at fair value
- (c) instruments held for trading.
- (d) non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition;
- or
- (e) financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Financial assets (or financial liabilities) at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

A **financial asset** is any asset that is a cash or contractual right to receive cash. The municipality has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Investments in Fixed Deposits (Banking Institutions, etc)
- Long-term Receivables
- Consumer Debtors
- Certain Other Debtors (see note 21)
- Short-term Investment Deposits
- Bank balances and cash

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts.

In accordance with GRAP 104 the *Financial Assets* of the municipality are all classified as ***financial assets at amortised cost***, except for Cash floats and advances, which are classified as ***financial assets at fair value***.

SWARTLAND MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

6. FINANCIAL INSTRUMENTS (continued)

6. 1 Financial Instruments - Classification (continued)

A **financial liability** is a contractual obligation to deliver cash or another financial asset to another entity. The municipality has the following types of financial liabilities as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Long-term Liabilities
- Certain Other Creditors (see note 9)
- Bank Overdraft
- Short-term loans
- Current Portion of Long-term Liabilities
- Consumer Deposits

In accordance with GRAP 104 the *Financial Liabilities* of the municipality are all classified as ***financial liabilities at amortised cost***, except for Consumer deposits, which are classified as ***financial liabilities at fair value***.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

6. 2 Initial and Subsequent Measurement

6. 2. 1 Initial measurement:

Financial assets and financial liabilities are initially measured at fair value plus, in the case of a financial instruments subsequently measured at cost or amortised cost, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

6. 2. 2 Subsequent measurement:

All financial assets and financial liabilities are measured in accordance with GRAP 104 after initial recognition, using the following categories:

- (a) Financial instruments at fair value;
- (b) Financial instruments at amortised cost
- (c) Financial instruments at cost.

6. 3 Impairment of Financial Assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in accordance with GRAP 104.

A provision for impairment of accounts receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Cash flows relating to short-term receivables are not discounted where the effect of discounting is immaterial. The carrying amount of the asset is reduced either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

Initially Accounts Receivable are valued at fair value and subsequently carried at amortised cost using the effective interest rate method. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the date of reporting are classified as current.

Consumer Debtors are stated at cost less a provision for impairment. The provision is made in accordance with GRAP 104 whereby the recoverability of Consumer Debtors is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. Government accounts are not provided for as such accounts are regarded as receivable.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the Statement of Financial Performance.

SWARTLAND MUNICIPALITY**ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012****6. FINANCIAL INSTRUMENTS (continued)****6. 3 Impairment of Financial Assets (continued)**

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Financial Performance to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

6. 4 Derecognition of Financial Assets

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non-recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

6. 5 Derecognition of Financial Liabilities

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

The municipality recognises the difference between the carrying amount of the financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, in the Statement of Financial Performance.

7. RISK MANAGEMENT OF FINANCIAL ASSETS AND LIABILITIES

It is the policy of the municipality to disclose information that enables the user of its financial statements to evaluate the nature and extent of risks arising from financial instruments to which the municipality is exposed on the reporting date.

Risks and exposure are disclosed as follows:

Credit Risk

- Each class of financial instrument is disclosed separately.
- Maximum exposure to credit risk not covered by collateral is specified.
- Financial instruments covered by collateral are specified.

Liquidity Risk

- A maturity analysis for financial assets and liabilities that shows the remaining contractual maturities.
- Liquidity risk is managed by ensuring that all assets are reinvested at maturity at competitive interest rates in relation to cash flow requirements. Liabilities are managed by ensuring that all contractual payments are met on a timeous basis and, if required, additional new arrangements are established at competitive rates to ensure that cash flow requirements are met.
- A maturity analysis for financial liabilities (where applicable) that shows the remaining undiscounted contractual maturities is disclosed in note 45.7 to the annual financial statements.

8. INVENTORIES**8. 1 Initial Recognition**

Inventories comprise current assets held for sale, current assets for consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

Direct costs relating to properties that will be sold as inventory are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs.

SWARTLAND MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
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8. INVENTORIES (continued)

8. 2 Subsequent Measurement

Consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value (net amount that an entity expects to realise from the sale on inventory in the ordinary course of business). In general, the basis of determining cost is the weighted average cost of commodities. If inventories are to be distributed at no charge or for a nominal charge they are valued at the lower of cost and current replacement cost.

Water is regarded as inventory when the municipality purchases water in bulk with the intention to resell it to the consumers or to use it internally, or where the municipality has incurred purification costs on water obtained from natural resources (rain, rivers, springs, boreholes etc.). However, water in dams, that are filled by natural resources and that has not yet been treated, can not be measured reliably as there is no cost attached to the water, and it is therefore not recognised in the Statement of Financial Position.

The basis of determining the cost of water purchased and not yet sold at reporting date comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventory to its present location and condition, net of trade discounts and rebates. Water and purified effluent are therefore valued at purified cost insofar as it is stored and controlled in reservoirs at year-end.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values and sold by public auction. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Differences arising on the measurement of such inventory at the lower of cost and net realisable value are recognised in the Statement of Financial Performance in the year in which they arise. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

9. NON-CURRENT ASSETS HELD-FOR-SALE

9. 1 Initial Recognition

Non-current Assets and Disposal Groups are classified as held-for-sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

9. 2 Subsequent Measurement

Non-current Assets (and Disposal Groups) classified as held-for-sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

10. REVENUE RECOGNITION

10. 1 General

Revenue, excluding value-added taxation where applicable, is derived from a variety of sources which include rates levied, grants from other tiers of government and revenue from trading activities and other services provided. Revenue is recognised when it is probable that future economic benefits or service potential will flow to the municipality and these benefits can be measured reliably, except when specifically stated otherwise.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and when specific criteria have been met for each of the municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

SWARTLAND MUNICIPALITY**ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012****10. REVENUE RECOGNITION (continued)****10. 1 General (continued)**

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

10. 2 Revenue from Exchange Transactions**10. 2. 1 Service Charges**

Service charges relating to electricity and water are based on consumption. Meters are normally read on a monthly basis and are recognised as revenue when invoiced. Where meters are not read monthly, provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the type of service and the number of sewer connections on all developed property, using the tariffs approved by Council and are levied monthly.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

10. 2. 2 Pre-paid Electricity

Revenue from the sale of electricity pre-paid meter cards are recognised at the point of sale and if payment is made five days before year end it is recognised based on an estimate of the prepaid electricity consumed as at the reporting date.

10. 2. 3 Finance income

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

10. 2. 4 Tariff Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

10. 2. 5 Income from Agency Services

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

10. 2. 6 Sale of Goods (including Houses)

Revenue from the sale of goods is recognised when all the following conditions have been met:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

SWARTLAND MUNICIPALITY**ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS**
FOR THE YEAR ENDED 30 JUNE 2012**10. REVENUE RECOGNITION (continued)****10. 2. Revenue from Exchange Transactions (continued)****10. 2. 7 Rentals**

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

10. 3 Revenue from Non-exchange Transactions

An inflow of resources from a non-exchange transaction that meets the definition of an asset, is recognised as an asset when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the fair value of the asset can be measured reliably. The asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow. A present obligation arising from a non-exchange transaction that meets the definition of a liability is recognised as a liability when it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate of the amount can be made.

10. 3. 1 Rates and Taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

10. 3. 2 Fines

Fines constitute both spot fines and summonses for which revenue is recognised when payment is received, together with an estimate of spot fines and summonses that will be received based on past experience of amounts collected.

10. 3. 3 Public contributions

Donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. Where the agreement contains a stipulation to return the asset, other future economic benefits or service potential, in the event of non-compliance to these stipulations and would be enforced by the transferor, a liability is recognised to the extent that the criteria, conditions or obligations have not been met. Where such requirements are not enforceable, or where past experience has indicated that the transferor has never enforced the requirement to return the transferred asset, other future economic benefits or service potential when breaches have occurred, the stipulation will be considered a restriction and is recognised as revenue.

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use.

10. 3. 4 Other Donations and Contributions

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are available for use.

10. 3. 5 Revenue from Recovery of Unauthorised, Irregular, Fruitless and Wasteful Expenditure

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain. Such revenue is based on legislated procedures.

SWARTLAND MUNICIPALITY**ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012****11. GOVERNMENT GRANTS AND RECEIPTS**

Conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the Statement of Financial Performance in the period in which they become receivable.

Revenue is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the grantor it is recorded as part of the creditor and if it is the municipality's interest it is recognised as interest earned in the Statement of Financial Performance.

12. PROVISIONS

Provisions are recognised when the municipality has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the obligation.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision. An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it - this unavoidable cost resulting from the contract is the amount of the provision to be recognised.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost as it occurs.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- (a) The municipality has a detailed formal plan for the restructuring identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken;
 - when the plan will be implemented; and;
- (b) The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

13. EMPLOYEE BENEFITS**13. 1 Short-term Employee Benefits**

Remuneration to employees is recognised in the Statement of Financial Performance as the services are rendered, except for non-accumulating benefits, which are only recognised when the specific event occurs.

The municipality has opted to treat its provision for leave pay as an accrual.

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as a creditor in the Statement of Financial Position. The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

13. 2 Long-service Allowance

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service) is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the statement of financial performance.

SWARTLAND MUNICIPALITY**ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012****13. EMPLOYEE BENEFITS (continued)****13. 3 Post-retirement benefits****13. 3. 1 Defined Contribution plans**

A **defined contribution plan** is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid.

13. 3. 2 Defined Benefit plans

A **defined benefit plan** is a post-employment benefit plan other than a defined contribution plan.

Post-retirement Health Care Benefits:

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate. Valuations of these obligations are carried out every year by independent qualified actuaries.

Actuarial gains or losses are recognised immediately in the Statement of Financial Performance.

Past-service costs are recognised immediately in the Statement of Financial Performance, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Multi-employer Defined Benefit Plans

The municipality contributes to various National- and Provincial-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds (refer to Note 46 of the Annual Financial Statements for details). The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued triennially on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

14. LEASES**14. 1 The Municipality as Lessee**

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or Intangible Assets subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Corresponding liabilities are included in the Statement of Financial Position as Finance Lease Liabilities. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised as an expense in the statement of financial performance on a straight-line basis over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

SWARTLAND MUNICIPALITY**ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012****14. LEASES (continued)****14. 2 The Municipality as Lessor**

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease or instalment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Operating lease rental income is recognised on a straight-line basis over the term of the relevant lease. The difference between the amounts recognised as revenue and the contractual payments received are recognised as an operating lease asset or liability.

15. BORROWING COSTS

The municipality capitalises borrowing costs incurred that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset, while all other borrowing costs incurred are recognised as an expense in the Statement of Financial Performance.

It is considered inappropriate to capitalise borrowing costs where the link between the funds borrowed and the capital asset acquired cannot be adequately established - the municipality expenses borrowing costs when it is inappropriate to capitalise it. The municipality ceases the capitalisation of borrowing costs when substantially all the activities to prepare the asset for its intended use or sale are complete.

16. GRANTS-IN-AID

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the Statement of Financial Performance as expenses in the period that the events giving rise to the transfer occurred.

17. VALUE ADDED TAX

The Municipality is registered with SARS for Value Added Tax on the payments basis, in accordance with Section 15(2)(a) of the VAT Act No 89 of 1991, and accounts for VAT on the cash basis.

18. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003). Unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable.

19. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No 56 of 2003), the Municipal Systems Act (Act No 32 of 2000), the Public Office Bearers Act (Act No 20 of 1998) or is in contravention of the Municipality's or Municipal Entities' supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as an expense in the Statement of Financial Performance. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable.

20. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance. If the expenditure is not condoned by the Council it is treated as an asset until it is recovered or written off as irrecoverable.

SWARTLAND MUNICIPALITY

ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2012

21. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS

Changes in accounting policies that are effected by management are applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to note 54 for details of changes in accounting policies.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to Note 54 to the Annual Financial Statements for details of corrections of errors recorded during the period under review.

22. RELATED PARTIES

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

23. EVENTS AFTER THE REPORTING DATE

Events after the reporting date that are classified as adjusting events are accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date are disclosed in the notes to the Annual Financial Statements.

24. COMPARATIVE INFORMATION

24. 1 Prior year comparatives:

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are reclassified. The nature and reasons for the reclassification are disclosed.

24. 2 Current year comparatives:

Budgeted amounts have, in accordance with GRAP 1, been provided to these financial statements and forms part of the Annual Financial Statements.

25. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the annual financial statements.

26. TREATMENT OF ADMINISTRATION AND OTHER OVERHEAD EXPENSES

The costs of internal support services are transferred to the various services and departments to whom resources are made available.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

2012
R

2011
R

1. GENERAL INFORMATION

Swartland Municipality (the municipality) is a local government institution in Malmesbury, Western Cape. The addresses of its registered office and principal place of business are disclosed under "General Information" included in the Annual Financial Statements and in the introduction of the Annual Report. The principal activities of the municipality are disclosed in the Annual Report and are prescribed by the Constitution.

2. INVENTORY

Consumable stores - at cost	2,917,160	2,972,442
Franking Machine and Postage	35,855	7,660
Go Green Prizes: Cell Phones	23,725	-
Postage Stamps	1,937	-
Stationery - at cost	94,904	96,970
SMS Bundles	124	709
Water - at cost	122,489	114,649
Wonderbags	5,300	-
Unsold properties held for resale - at cost	1,873,129	1,873,129
Total Inventory	5,074,623	5,065,559

The cost of inventories (excluding land inventories) recognised as expense and included in "General Expenses" amounted to R 4,441,610 (2011: R 4,098,040). The cost of land inventories expensed has been separately disclosed on the Statement of Financial Performance.

Inventory to the amount of R 31,033 (2011: R 0) was written-down and included in "General Expenses".

3. TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS**As at 30 June 2012**

	Gross Balances	Collective Provision for Impairment	Net Balances
Service Debtors	34,067,296	2,842,493	31,224,803
Electricity	20,425,120	861,257	19,563,863
Water	5,855,063	666,327	5,188,736
Sewerage	4,386,634	698,258	3,688,376
Refuse Removal	3,400,479	616,651	2,783,828
Housing rentals / instalments	105,966	16,854	89,112
Other	2,323,307	507,636	1,815,671
Total: Trade Receivables From Exchange Transactions	36,496,569	3,366,983	33,129,586

**As at 30 June 2011
Restated**

	Gross Balances	Collective Provision for Impairment	Net Balances
Service Debtors	28,650,477	2,205,983	26,444,494
Electricity	17,826,821	709,638	17,117,183
Water	4,833,862	535,091	4,298,771
Sewerage	3,348,636	494,287	2,854,349
Refuse Removal	2,641,158	466,967	2,174,191
Housing rentals / instalments	92,074	15,798	76,276
Other	2,741,204	405,534	2,335,670
Total: Trade Receivables From Exchange Transactions	31,483,755	2,627,315	28,856,440

The average credit period for consumer debtors is 30 days. No interest is charged on trade receivables for the first 30 days from the date of the invoice. Thereafter interest is charged at prime plus one per annum on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of the consumer debtors.

Comparative has been restated due to the correction of an error (refer to note 56).

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

	2012 R	2011 R
3. TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS (continued)		
3. 1 Ageing of Service Debtors		
<u>Electricity: Ageing</u>		
Current (0 - 30 days)	18,351,308	17,098,525
<u>Past Due</u>		
31 - 60 Days	1,314,279	37,563
61 - 90 Days	81,211	39,251
91 - 120 Days	60,792	36,548
121 - 150 Days	37,386	35,364
151 - 180 Days	51,581	25,169
181 - 365 Days	351,944	237,436
366 Days - 2 Years	86,159	65,146
2 - 3 Years	48,283	22,808
+ 3 Years	42,177	229,011
Total	20,425,120	17,826,821
<u>Water: Ageing</u>		
Current (0 - 30 days)	3,447,687	3,523,760
<u>Past Due</u>		
31 - 60 Days	543,262	144,249
61 - 90 Days	217,747	137,660
91 - 120 Days	191,385	109,666
121 - 150 Days	149,142	97,455
151 - 180 Days	130,163	68,726
181 - 365 Days	674,419	508,697
366 Days - 2 Years	268,408	115,719
2 - 3 Years	70,650	56,567
+ 3 Years	162,200	71,363
Total	5,855,063	4,833,862
<u>Sewerage: Ageing</u>		
Current (0 - 30 days)	1,617,401	1,801,324
<u>Past Due</u>		
31 - 60 Days	481,875	102,202
61 - 90 Days	181,231	106,789
91 - 120 Days	160,915	89,396
121 - 150 Days	129,603	96,577
151 - 180 Days	131,297	76,518
181 - 365 Days	1,165,908	753,648
366 Days - 2 Years	290,662	173,783
2 - 3 Years	120,289	97,453
+ 3 Years	107,453	50,946
Total	4,386,634	3,348,636
<u>Refuse Removal: Ageing</u>		
Current (0 - 30 days)	1,374,983	1,536,291
<u>Past Due</u>		
31 - 60 Days	431,061	97,679
61 - 90 Days	124,361	80,104
91 - 120 Days	107,068	69,034
121 - 150 Days	99,359	62,353
151 - 180 Days	87,903	56,300
181 - 365 Days	724,671	491,815
366 Days - 2 Years	242,246	141,449
2 - 3 Years	119,669	58,038
+ 3 Years	89,158	48,095
Total	3,400,479	2,641,158

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

	2012 R	2011 R	
3. TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS (continued)			
3. 1 Ageing of Service Debtors (continued)			
<u>Housing rentals / instalments: Ageing</u>			
Current (0 - 30 days)	31,464	43,505	
<u>Past Due</u>			
31 - 60 Days	14,829	2,620	
61 - 90 Days	2,298	2,250	
91 - 120 Days	2,007	2,071	
121 - 150 Days	2,359	1,623	
151 - 180 Days	2,347	1,156	
181 - 365 Days	26,573	24,771	
366 Days - 2 Years	16,737	1,575	
2 - 3 Years	895	2,189	
+ 3 Years	6,457	10,314	
Total	105,966	92,074	
<u>Other Debtors: Ageing</u>			
Current (0 - 30 days)	1,120,511	1,715,839	
<u>Past Due</u>			
31 - 60 Days	119,312	35,617	
61 - 90 Days	68,433	70,472	
91 - 120 Days	46,724	59,850	
121 - 150 Days	44,409	38,662	
151 - 180 Days	60,152	39,144	
181 - 365 Days	430,919	372,242	
366 Days - 2 Years	173,902	218,031	
2 - 3 Years	122,792	87,597	
+ 3 Years	136,153	103,750	
Total	2,323,307	2,741,204	
3. 2 Summary of Debtors by Customer Classification			
	<u>Consumers</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
	R	R	R
30th June 2012			
Current (0 - 30 days)	17,056,681	7,986,960	899,714
<u>Past Due</u>			
31 - 60 Days	2,211,279	556,519	136,820
61 - 90 Days	601,604	36,637	37,041
91 - 120 Days	505,740	29,406	33,744
121 - 150 Days	429,791	30,140	2,327
151 - 180 Days	439,447	21,335	2,661
181 - 365 Days	3,143,526	222,088	8,819
366 Days - 2 Years	1,021,306	51,778	5,030
2 - 3 Years	436,395	39,201	6,981
+ 3 Years	492,899	48,332	2,368
Sub-total	26,338,668	9,022,396	1,135,505
Less: Collective Provision for Impairment	(2,488,638)	(878,345)	-
Total debtors by customer classification	23,850,030	8,144,051	1,135,505

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****3. TRADE RECEIVABLES FROM EXCHANGE TRANSACTIONS (continued)****3. 2 Summary of Debtors by Customer Classification (continued)**

	<u>Consumers</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>
	<u>R</u>	<u>R</u>	<u>R</u>
30th June 2011			
Restated			
Current (0 - 30 days)	17,455,845	7,508,337	755,062
<u>Past Due</u>			
31 - 60 Days	394,311	14,863	10,756
61 - 90 Days	409,099	18,848	8,579
91 - 120 Days	340,725	19,955	5,886
121 - 150 Days	319,113	9,224	3,697
151 - 180 Days	255,723	6,120	5,171
181 - 365 Days	2,258,937	85,149	44,522
366 Days - 2 Years	647,353	55,728	12,622
2 - 3 Years	289,524	31,434	3,694
+ 3 Years	477,814	26,933	8,731
Sub-total	22,848,444	7,776,591	858,720
Less: Collective Provision for Impairment	(1,867,666)	(759,649)	-
Total debtors by customer classification	20,980,778	7,016,942	858,720

Comparative has been restated due to the correction of an error (refer to note).

	2012	2011
	R	R
		Restated

At 30 June 2012 debtors of R 7,186,232 (2011: R 3,137,196) were past due but not impaired. The age analysis of these debtors are as follows:

31 - 60 Days	2,904,618	419,930
61 - 90 Days	675,282	436,526
91 - 120 Days	568,890	366,565
121 - 150 Days	462,258	332,034
151 - 180 Days	463,442	267,013
181 - 365 Days	2,111,742	1,315,128
+ 1 Year	-	-
Total	7,186,232	3,137,196

3. 3 Reconciliation of Collective Provision for Impairment on debtors

Balance at beginning of the year	2,627,315	3,106,931
Contribution to Provision	1,239,828	1,611,274
Bad debts written off against provision	(500,160)	(2,090,890)
Balance at end of year	3,366,983	2,627,315

4. TRADE RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	Restated
Property Rates	8,542,075
Payments made in advance	195,188
Insurance claims	31,217
Government grants and subsidies (Past due and not impaired)	1,803,835
Sundry debtors	2,662,025
Gross Balances	13,234,340
<i>Less: Collective Provision for Impairment</i>	
Rates	(1,132,712)
Other	(164,335)
Net Balances	11,937,293

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

	2012 R	2011 R
4. TRADE RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (continued)		
<u>Rates: Ageing</u>		
Current (0 - 30 days)	4,252,567	4,734,849
<u>Past Due</u>		
31 - 60 Days	771,350	211,091
61 - 90 Days	249,733	191,867
91 - 120 Days	175,002	108,200
121 - 150 Days	94,138	107,902
151 - 180 Days	100,776	56,073
181 - 365 Days	2,025,719	1,827,494
366 Days - 2 Years	434,577	365,361
2 - 3 Years	241,974	167,804
+ 3 Years	196,239	110,622
Total	8,542,075	7,881,263
<u>Other Debtors: Ageing</u>		
Current (0 - 30 days)	4,691,919	7,163,137
<u>Past Due</u>		
31 - 60 Days	2	2
61 - 90 Days	2	2
91 - 120 Days	2	2
121 - 150 Days	2	2
151 - 180 Days	2	2
181 - 365 Days	139	118
366 Days - 2 Years	21	23
2 - 3 Years	23	32
+ 3 Years	153	141
Total	4,692,265	7,163,461
At 30 June 2012 debtors of R 4,289,854 (2011: R 3,146,738) were past due but not impaired. The age analysis of these debtors are as follows:		
31 - 60 Days	771,351	211,093
61 - 90 Days	249,735	191,869
91 - 120 Days	175,003	108,202
121 - 150 Days	94,139	107,904
151 - 180 Days	100,778	56,074
181 - 365 Days	2,025,858	1,827,612
+ 1 Year	872,990	643,984
Total	4,289,854	3,146,738
<u>Reconciliation of Collective Provision for Impairment on Other debtors</u>		
Balance at beginning of the year	1,125,988	1,477,423
<i>Contributions to provision</i>		
Rates	177,020	-
Other	56,483	-
<i>Bad debts written off against provision</i>		
Rates	(47,554)	(171,703)
Other	(14,890)	(2,590)
Reversal of provision	-	(177,142)
Balance at end of year	1,297,047	1,125,988

In determining the recoverability of a Consumer Debtor, the municipality considers any change in the credit quality of the Consumer Debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Provision for Impairment.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	R	R

4. TRADE RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (continued)

The provision for impairment was calculated after grouping all the financial assets of similar nature and risk ratings and by calculating the historical payment ratios for the groupings and by assuming that the future payment ratios would be similar to the historical payment ratios.

The claims instituted against the municipality's insurance company are supported by valid insurance claims that are claimable in terms of the insurance contract entered into by the municipality. The average waiting period depends on the nature of the claim. No interest is charged on outstanding insurance claims.

The average credit period for government grants and subsidies is dependant on the Government Department involved and the nature of claim. No interest is charged on outstanding government grants and subsidies. The subsidies are payable to the municipality per allocations made in the Division of Revenue Act or based on agreements between the municipality and the relevant departments. Government grants and Subsidies receivable are past due and not impaired as management have no concerns over the credit quality of these assets.

The average credit period for other debtors is 30 days. No interest is charged on trade receivables for the first 30 days from the date of the invoice. Thereafter interest is charged at prime plus one per annum on the outstanding balance. The municipality strictly enforces its approved credit control policy to ensure the recovery of the other debtors.

The provision for impairment on Other Debtors (loans and receivables) exists predominantly due to the possibility that these debts will not be recovered. Loans and receivables were grouped together at the Statement of Financial Position as financial assets with similar credit risk characteristics and collectively assessed for impairment.

The total amount of the provision for impairment created is R 4,664,030 (2011: R 3,753,303) and the following loans and receivables are included therein:

Consumer Debtors	3,366,983	2,627,315
Sundry Debtors	1,297,047	1,125,988
Total Allowance for Doubtful Debts on Debtors	4,664,030	3,753,303

5. INVESTMENTS**Financial Instruments**

Fixed Deposits	-	71,841,096
Total Investments	-	71,841,096

6. CASH AND CASH EQUIVALENTS

Bank balances and cash	219,192,069	95,385,618
Petty Cash Advances	18,730	17,130
Total cash and cash equivalents	219,210,799	95,402,748

The Municipality has the following bank accounts: -

Current Account (Primary Bank Account) (OTM account)

ABSA Bank Limited - Public Sector: Account Number 40 5369 2381

Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-

Current Account

ABSA Bank Limited - Public Sector: Account Number 40 5369 1741

Bank statement balance at beginning of year	91,006,585	185,511,774
Bank statement balance at end of year	215,668,397	91,006,585

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

	2012 R	2011 R
6. CASH AND CASH EQUIVALENTS (continued)		
<u>Current Account (ACB account)</u>		
ABSA Bank Limited - Public Sector: Account Number 40 5369 2399		
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-
<u>Current Account (Cash account)</u>		
ABSA Bank Limited - Public Sector: Account Number 40 5369 2466		
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	-	-
<u>Summary</u>		
Cash book balance at beginning of year	95,385,618	188,241,878
Cash book balance at end of year	219,192,069	95,385,618
Bank statement balance at beginning of year	91,006,585	185,511,774
Bank statement balance at end of year	215,668,397	91,006,585

For the purposes of the Cash Flow Statement, Cash and Cash Equivalents include Cash-on-Hand, Cash in Banks and Investments in Money Market Instruments, net of outstanding Bank Overdrafts.

Call investment deposits are investments with a maturity period of less than 3 months and earn interest rates at 5.25 % per annum.

Interest on overdrawn current accounts is charged at prime less 0.5 % per annum and earn interest at different rates per annum on favourable balances.

7. OPERATING LEASES**The Municipality as lessee*****Leasing arrangements:***

Operating leases relate to Buildings, Computer and other equipment with lease terms of between one to five years. The municipality does not have an option to purchase the leased asset at the expiry of the lease period.

At the reporting date the municipality had outstanding commitments under non-cancellable operating leases, which fall due as follows:

Buildings	1,143,737	1,135,352
Up to 1 year	535,713	423,264
1 to 5 years	608,024	712,088
More than 5 years	-	-
Computer and other equipment	7,554	98,548
Up to 1 year	7,554	90,967
1 to 5 years	-	7,581
More than 5 years	-	-
Total Operating Lease Commitments	1,151,291	1,233,900
The following payments have been recognised as an expense in the Statement of Financial Performance:		
Minimum lease payments	618,227	627,520
Total Operating Lease Expenses - as Lessee	618,227	627,520

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

	2012 R	2011 R
7. OPERATING LEASES (continued)		
Operating leases are recognized on the straight-line basis as per the requirement of GRAP 13. In respect of non-cancellable Operating Leases the following asset/(liability) has been recognised:		
Accrual as at 30 June		
Opening balance	(71,004)	(53,876)
Operating lease payments effected	609,671	610,392
Operating expenses recorded	(618,227)	(627,520)
Total Operating Lease Assets/(Liabilities)	(79,560)	(71,004)

The municipality has operating lease agreements for the following classes of assets, which are only significant collectively:

- Office Equipment
- Vehicles

No restrictions have been imposed on the Municipality in terms of the operating lease agreements.

The Municipality as Lessor:***Leasing arrangements:***

Operating Leases relate to Investment Property owned by the municipality with lease terms of between 5 to 50 years. The lessee does not have an option to purchase the property at the expiry of the lease period.

At the reporting date the following lease receipts were receivable under Non-cancellable Operating Leases for Property, Plant and Equipment, which are receivable as follows:

Up to 1 year	204,453	184,806
1 to 5 years	427,722	321,276
More than 5 years	9,358	11,501
	641,533	517,583

This impact of charging the escalations in operating leases on a straight-line basis over the term of the lease has been a increase in current year income of R 3,333.

Operating leases are recognized on the straight-line basis as per the requirement of GRAP 13. In respect of non-cancellable Operating Leases the following asset/(liability) has been recognised:

Accrual as at 30 June		Restated
Opening balance	51,334	50,629
Operating lease payments received	(612,814)	(380,043)
Operating income recorded	609,482	380,748
Total Operating Lease Assets/(Liabilities)	48,002	51,334

No restrictions have been imposed on the Municipality in terms of the lease agreements.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****8. PROPERTY, PLANT AND EQUIPMENT**

30 June 2012

Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Total carried forward
	R	R	R	R	R
Carrying values at 01 July 2011	130,083,215	1,473,621,418	49,209,623	124,265	1,653,038,521
Cost	261,340,543	2,674,158,366	136,581,738	586,266	3,072,666,913
Accumulated depreciation and	(131,257,328)	(1,200,536,948)	(87,372,115)	(462,001)	(1,419,628,392)
- Cost	(131,257,328)	(1,200,536,948)	(87,372,115)	(462,001)	(1,419,628,392)
Acquisitions	298,121	26,916,314	1,954,813	-	29,169,248
Capital under Construction	-	55,315,761	49,904	-	55,365,665
Borrowing costs Capitalised	-	6,451,996	-	-	6,451,996
Depreciation	(5,108,635)	(52,190,575)	(3,023,327)	(16,000)	(60,338,537)
- based on cost	(5,108,635)	(52,190,575)	(3,023,327)	(16,000)	(60,338,537)
Carrying value of disposals	(107,375)	(2,770,624)	(237)	-	(2,878,236)
Cost	(108,729)	(4,599,230)	(300)	-	(4,708,259)
Accumulated depreciation	1,354	1,828,606	63	-	1,830,023
Impairment losses	-	-	-	-	-
Other movements	-	-	-	-	-
Carrying values at 30 June 2012	125,165,326	1,507,344,290	48,190,776	108,265	1,680,808,657
Cost	261,529,935	2,758,243,207	138,586,155	586,266	3,158,945,563
Accumulated depreciation and	(136,364,609)	(1,250,898,917)	(90,395,379)	(478,001)	(1,478,136,906)
- Cost	(136,364,609)	(1,250,898,917)	(90,395,379)	(478,001)	(1,478,136,906)

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****8. PROPERTY, PLANT AND EQUIPMENT (continued)**

30 June 2012

Reconciliation of Carrying Value	Total brought forward	Other	Housing Development Fund	Leased Assets	Total
	R	R	R	R	R
Carrying values at 01 July 2011	1,653,038,521	36,660,979	1,072,241	677,283	1,691,449,024
Cost	3,072,666,913	59,646,976	1,587,265	1,493,524	3,135,394,678
Accumulated depreciation and Impairment	(1,419,628,392)	(22,985,997)	(515,024)	(816,241)	(1,443,945,654)
- Cost	(1,419,628,392)	(22,985,997)	(515,024)	(816,241)	(1,443,945,654)
Acquisitions	29,169,248	16,223,372	-	382,409	45,775,029
Capital under Construction	55,365,665	-	-	-	55,365,665
Borrowing costs Capitalised	6,451,996	-	-	-	6,451,996
Depreciation	(60,338,537)	(6,226,766)	(32,811)	(289,082)	(66,887,196)
- based on cost	(60,338,537)	(6,226,766)	(32,811)	(289,082)	(66,887,196)
Carrying value of disposals	(2,878,236)	(1,903,748)	-	-	(4,781,984)
Cost	(4,708,259)	(4,550,445)	-	-	(9,258,704)
Accumulated depreciation	1,830,023	2,646,697	-	-	4,476,720
Impairment losses	-	-	-	-	-
Other movements	-	-	-	-	-
Carrying values at 30 June 2012	1,680,808,657	44,753,837	1,039,430	770,610	1,727,372,534
Cost	3,158,945,563	71,319,903	1,587,265	1,875,933	3,233,728,664
Accumulated depreciation and	(1,478,136,906)	(26,566,066)	(547,835)	(1,105,323)	(1,506,356,130)
- Cost	(1,478,136,906)	(26,566,066)	(547,835)	(1,105,323)	(1,506,356,130)

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****8. PROPERTY, PLANT AND EQUIPMENT (continued)**

30 June 2011

Restated

Reconciliation of Carrying Value	Land and Buildings	Infra-structure	Community	Heritage	Total carried forward
	R	R	R	R	R
Carrying values at 01 July 2010	132,719,580	1,454,289,334	52,034,676	140,265	1,639,183,855
Cost	259,634,064	2,604,361,786	136,386,765	586,266	3,000,968,881
Correction of error (Note 56)	-	-	-	-	-
Accumulated depreciation and Impairment	(126,914,484)	(1,150,072,452)	(84,352,089)	(446,001)	(1,361,785,026)
Cost	(126,914,484)	(1,150,072,452)	(84,352,089)	(446,001)	(1,361,785,026)
Correction of error (Note 56)	-	-	-	-	-
Acquisitions	2,629,359	24,612,917	4,798	-	27,247,074
Capital under Construction	67,604	47,374,383	190,175	-	47,632,162
Borrowing costs Capitalised	-	-	-	-	-
Correction of error (Note 56)	-	(835,406)	-	-	(835,406)
Depreciation	(5,020,477)	(51,141,373)	(3,020,026)	(16,000)	(59,197,876)
- based on cost	(5,020,477)	(51,142,240)	(3,020,026)	(16,000)	(59,198,743)
- Correction of error (Note 56)	-	867	-	-	867
Carrying value of disposals	(312,851)	(678,437)	-	-	(991,288)
Cost	(990,484)	(1,355,315)	-	-	(2,345,799)
Accumulated depreciation	677,633	676,878	-	-	1,354,511
Impairment losses	-	-	-	-	-
Carrying values at 30 June 2011	130,083,215	1,473,621,418	49,209,623	124,265	1,653,038,521
Cost	261,340,543	2,674,158,366	136,581,738	586,266	3,072,666,913
Correction of error (Note 56)	-	-	-	-	-
Accumulated depreciation and - Cost	(131,257,328)	(1,200,536,948)	(87,372,115)	(462,001)	(1,419,628,392)
	(131,257,328)	(1,200,536,948)	(87,372,115)	(462,001)	(1,419,628,392)

30 June 2011

Restated

Reconciliation of Carrying Value	Total brought forward	Other	Housing Development Fund	Leased Assets	Total
	R	R	R	R	R
Carrying values at 01 July 2010	1,634,401,871	33,680,240	1,105,052	917,371	1,670,104,534
Cost	3,000,968,881	52,164,044	1,587,265	1,478,440	3,056,198,630
Correction of error (Note 56)	(4,781,984)	-	-	-	(4,781,984)
Accumulated depreciation and Impairment	(1,361,785,026)	(18,483,804)	(482,213)	(561,069)	(1,381,312,112)
- Cost	(1,361,785,026)	(18,483,804)	(482,213)	(561,069)	(1,381,312,112)
- Correction of error (Note 56)	-	-	-	-	-
Acquisitions	27,247,074	8,940,075	-	15,084	36,202,233
Capital under Construction	47,632,162	-	-	-	47,632,162
Borrowing costs Capitalised	-	-	-	-	-
Correction of error (Note 56)	(835,406)	-	-	-	(835,406)

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****8. PROPERTY, PLANT AND EQUIPMENT (continued)**

30 June 2011

Restated

Reconciliation of Carrying Value	Total brought forward	Other	Housing Development Fund	Leased Assets	Total
Depreciation	(59,197,876)	(5,375,263)	(32,811)	(255,172)	(64,861,122)
- based on cost	(59,198,743)	(5,375,263)	(32,811)	(255,172)	(64,861,989)
- Correction of error (Note 56)	867	-	-	-	867
Carrying value of disposals	(991,288)	(584,073)	-	-	(1,575,361)
<i>Cost/revaluation</i>	(2,345,799)	(1,457,143)	-	-	(3,802,942)
<i>Accumulated depreciation</i>	1,354,511	873,070	-	-	2,227,581
Impairment losses	-	-	-	-	-
Transferred to disposal group classified as held for sale	-	-	-	-	-
Carrying values at 30 June 2011	1,653,038,521	36,660,979	1,072,241	677,283	1,691,449,024
<i>Cost</i>	3,072,666,913	59,646,976	1,587,265	1,493,524	3,135,394,678
<i>Correction of error (Note 56)</i>	-	-	-	-	-
Accumulated depreciation and	(1,419,628,392)	(22,985,997)	(515,024)	(816,241)	(1,443,945,654)
<i>- Cost</i>	(1,419,628,392)	(22,985,997)	(515,024)	(816,241)	(1,443,945,654)

Refer to Appendix B for more detail on property, plant and equipment, including those in the course of construction.

9. BORROWING COSTS

	2012 R	2011 R
Borrowing costs incurred on specific loans	9,763,094	-
Less: Interest earned on temporary investment of specific borrowings	(3,311,098)	-
Total Borrowing costs capitalised during the period	6,451,996	-

During the financial period two loans were taken up specifically for the purpose of obtaining qualifying assets. The interest rate payable on the loan of R 35,000,000 is 10.96% and on the loan of R 70,000,000 the rate is 10.665%. After utilising the total amount already paid on the assets, the balance of the two loans was temporarily invested at rates of 5.25 % and 5.92% respectively.

INTEREST EXPENSE

Long-term liabilities	14,946,345	-
Less: Interest capitalised	(9,763,094)	-
Finance Leases	71,471	-
Total Interest expense on External Borrowings	5,254,722	-

INTEREST EARNED**External Investments / Cash Deposits:**

Bank Account	238,841	-
Interest earned - other	13,681,401	-
Less: Deducted from interest capitalised	(3,311,098)	-
Total Interest earned on External Investments / Cash Deposits	10,609,144	-

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****10. INTANGIBLE ASSETS**

30 June 2012

Reconciliation of Carrying Value	Total	Software Licenses	Website Development
	R	R	R
Carrying values at 1 July 2011	128,456	89,771	38,685
- Cost	203,109	133,405	69,704
Accumulated Amortisation and Impairment	(74,653)	(43,634)	(31,019)
- Cost	(74,653)	(43,634)	(31,019)
Acquisitions			
Purchased	255,395	255,395	-
Borrowing Costs Capitalised	-	-	-
Other movements	-	-	-
Amortisation	(69,406)	(69,406)	-
- based on Cost	(69,406)	(69,406)	-
Carrying values at 30 June 2012	314,445	275,760	38,685
- Cost	458,504	388,800	69,704
Accumulated amortisation	(144,059)	(113,040)	(31,019)
- Cost	(144,059)	(113,040)	(31,019)

30 June 2011

Reconciliation of Carrying Value	Total	Software Licenses	Website Development
	R	R	R
Carrying values at 01 July 2010	98,294	59,609	38,685
Cost	146,932	77,228	69,704
Accumulated Amortisation and Impairment	(48,638)	(17,619)	(31,019)
- Cost	(48,638)	(17,619)	(31,019)
Correction of error (Note 56)	-	-	-
Acquisitions			
Purchased	56,177	56,177	-
Other Movements	-	-	-
Amortisation	(26,015)	(26,015)	-
- based on Cost	(26,015)	(26,015)	-
Correction of error (Note 56)	-	-	-
Carrying values at 30 June 2011	128,456	89,771	38,685
- Cost	203,109	133,405	69,704
Correction of error (Note 56)	-	-	-
Accumulated amortisation	(74,653)	(43,634)	(31,019)
- Cost	(74,653)	(43,634)	(31,019)
Correction of error (Note 56)	-	-	-

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****10. INTANGIBLE ASSETS (continued)**

The amortisation expense has been included in the line item "Depreciation and Amortisation" in the Statement of Financial Performance (see Note 34).

All of the municipality's Intangible Assets are held under freehold interests and no Intangible Assets had been pledged as security for any liabilities of the municipality.

No restrictions apply to the intangible assets.

2012 **2011**
R **R**

11. INVESTMENT PROPERTY**At cost less accumulated depreciation**

33,964,103 **34,013,854**

The movement in investment properties is reconciled as follows:

Carrying value at the beginning of the year

34,013,854 **33,943,473**

Cost

35,130,964 35,012,452

Accumulated depreciation

(1,117,110) (1,068,979)

Accumulated Impairment Losses

- -

Correction of error (Note 56)

Cost

- -

Accumulated depreciation

- -

Additions to existing investment properties

- 1,817,900

Transfer to Inventory (Grap 16.65 and 16.70)

- (1,699,388)

Depreciation

(49,751) (48,131)

Impairment losses

- -

Other Movements

- -

Carrying value at the end of the year

33,964,103 **34,013,854**

Cost

35,130,964 35,130,964

Accumulated depreciation

(1,166,861) (1,117,110)

Accumulated Impairment Losses

- -

Correction of error (Note 56)

Cost

- -

Accumulated depreciation

- -

The following is included in the net surplus/(deficit)

Rental revenue earned from Investment Properties

398,757 388,473

Direct Operating expenses - incurred to generate rental revenue

382,067 586,701

Direct Operating expenses - incurred which did not generate rental revenue

1,186,738 989,247

There are no restrictions on the realisability of investment property or the remittance of revenue and proceeds of disposal.

There are no contractual obligations to purchase, construct or develop investment property.

Fair Value of investment properties.

The fair value of investment properties is estimated at R 154,350,500 which is based on a valuation by an independent valuer who holds a recognised and relevant qualification. The determination of fair value is supported by market evidence.

12. FINANCE LEASE RECEIVABLES

Housing selling scheme loans

226,463 238,814

226,463 **238,814**

Less : Current portion transferred to current receivables

11,005 **12,350**

Housing selling scheme loans

11,005 12,350

Total

215,458 **226,464**

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****12. FINANCE LEASE RECEIVABLES (continued)****HOUSING SELLING SCHEME LOANS**

Loans were granted to the tenants of low cost housing erected by the Municipality with funds provided by the State, in order to enable them to purchase the houses they previously rent from the Municipality. Loans are repaid over a period of twenty years and at an interest rate of thirteen point five percent per annum. The instalments of interest and redemption recoverable from the purchasers are credited to the Housing Fund. (See note 23)

12.1 Leasing Arrangements

The municipality entered into finance Leasing Arrangements for house selling scheme loans. The average term of Finance Leases entered into is between six and twenty years.

12.2 Amounts receivable under finance leases

	Minimum Lease Payments		Present Value of Minimum Lease Payments	
	2012	2011	2012	2011
	R	R	R	R
Within one year	41,522	44,425	11,005	12,350
In the second to fifth year inclusive	169,474	166,086	62,715	53,819
Over five years	229,513	274,423	152,743	172,645
	440,509	484,934	226,463	238,814
Less: Unearned Finance Income	(214,046)	(246,120)		
Total Finance Lease Receivables	226,463	238,814	226,463	238,814
Included in the Annual Financial Statements as:				
Current Finance lease receivables			11,005	12,350
Non-Current Finance lease receivables			215,458	226,464
			226,463	238,814

The interest rate inherent to the leases are fixed at the contract date over the entire lease term. The average effective interest rate contracted is 13.50 % (2011: 13.50 %) per annum.

13. LONG-TERM RECEIVABLES

	2012	2011
	R	R
Neither past due nor impaired		
Loans to Public Organisations	255,119	266,285
	255,119	266,285
Less : Current portion transferred to current receivables	12,416	11,166
Loans to Public Organisations	12,416	11,166
Total	242,703	255,119

LOANS TO PUBLIC ORGANISATIONS

Under the previous dispensation loans raised at an interest rate of one percent per annum repayable over a period of forty years were granted by the State to the Municipality who in turn, made the said loans available to Public Organisations for the purpose of providing housing to indigent old age persons. The Municipality merely acted as an intermediater between the State and such Organisations. The outstanding balances of these loans were subsequently written off by the State whilst the annual instalment, still recoverable from the various Organisations, are credited to the Housing Fund. Loans are repaid over periods of thirty to forty years and at interest rates varying from one to eleven point two five percent per annum. (See note 23)

Management of the municipality is of the opinion that the carrying value of Long- Term Receivables recorded at amortised cost in the financial statements approximate their fair values.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**2012
R2011
R**13. LONG-TERM RECEIVABLES (continued)**

The fair value of Long- Term Receivables were determined after considering the standard terms and conditions of agreements entered into between the municipality and other parties as well as the current payment ratio's of the municipality's debtors.

Long- term receivables are neither past due nor impaired as management have no concerns over the credit quality of these assets.

14. CONSUMER DEPOSITS

Electricity and Water	6,287,042	5,791,841
Interest paid	-	-
Total Consumer Deposits	6,287,042	5,791,841

Guarantees amounting to R 852,753 (2011: R 748,753) are held in lieu of Electricity and Water Deposits.

Consumer deposits are paid by consumers on application for new water and electricity connections. The deposits are repaid when the water and electricity connections are terminated. In cases where consumers default on their accounts, the Council can utilize the deposit as payment for the outstanding account.

No interest is paid on consumer deposits held.

15. PROVISIONS**Restated**

Current portion of Post-Employment Health Care Benefits(see note 21)	1,286,583	1,236,643
Current portion of Long-Service Awards (see note 22)	291,470	340,205
Bonuses	2,624,314	2,445,666
Electricity: Main Sub (ABB)	-	313,967
Workman Compensation	736,936	-
Total Provisions	4,939,303	4,336,481

The movement in current provisions are reconciled as follows:

30 June 2012	Bonuses	Workman Compensation	Electricity Main Sub (ABB)	Task Back Pay	Post- Employment Health Care Benefits	Current portion of Long- service
Balance at beginning of year	2,445,666	-	313,967	-	1,236,643	340,205
Contributions to provision	2,624,314	736,936	-	-	1,269,797	454,335
Expenditure incurred	(2,445,666)	-	(313,967)	-	(1,219,857)	(503,070)
Reversal of provision	-	-	-	-	-	-
Balance at end of year	2,624,314	736,936	-	-	1,286,583	291,470
30 June 2011	Restated		Restated			
Balance at beginning of year	2,270,216	-	-	190,256	1,195,245	391,584
Contributions to provision	2,445,666	-	313,967	-	1,236,643	268,363
Expenditure incurred	(2,270,216)	-	-	(190,256)	(1,195,245)	(319,742)
Reversal of provision	-	-	-	-	-	-
Correction of error (Note 56)	-	-	-	-	-	-
Balance at end of year	2,445,666	-	313,967	-	1,236,643	340,205

Bonuses

Service bonuses are granted to municipal employees as a 13th cheque. An estimate amount for the provision raised is determined according to the amount accruing to employees from December to June which is based on their salaries earned at 30 June of each year.

Electricity: Main Sub (ABB)

During the prior year an estimate was made and a provision raised for payment of an outstanding amount on a capital project.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

2012	2011
R	R

15. PROVISIONS (continued)**Workman Compensation**

The amount due to the Workmen's Compensation Commissioner are not known in advance and an estimation is determined based on the following calculation:

The sum of the actual amount for the previous year and the tentative amount for the current year less the estimate for the previous year is multiplied by the applicable tariff.

For more information on **Current portion of Post-Employment Health Care Benefits** see note 21 and for **Current portion of Long-Service Awards** see note 22.

16. CREDITORS

Trade creditors	29,735,075	26,459,986
Payments received in advance	844,624	816,451
Retentions	1,876,221	1,982,442
Staff leave	6,242,210	5,536,996
Other creditors	3,222,996	5,000,872
Total Creditors	41,921,126	39,796,747

The average credit period on purchases is 30 days from the receipt of the invoice (as determined by the MFMA). No interest is charged for the first 30 days from the date of receipt of the invoice. Thereafter interest is charged in accordance with the credit policies of the various individual creditors that the municipality deals with. The municipality has financial risk policies in place to ensure that all payables are paid within the credit timeframe. Retentions refer to construction contracts.

17. UNSPENT CONDITIONAL GRANTS AND RECEIPTS***17.1 Conditional Grants by other spheres of Government***

	3,674,324	3,034,739
Cleanest Town	75,820	79,420
Community Development: Workers	2,116	-
Disaster Fund	108,505	-
Financial Management Grant	-	355,330
Housing: Chatsworth	2,931,870	1,362,274
Housing Consumer Education Grant	27,197	47,234
Ilinge Lethu Advisory Centre	-	137,130
Library	-	-
Municipal Infrastructure Grant	-	-
Municipal Systems Improvement Grant	-	453,351
Pedestrian Pathways	-	600,000
Thusong Centre	500,000	-
Financial Management Support Grant	28,816	-

17.2 Other Conditional Receipts

	990,193	147,265
National Lottery	930,193	-
C J Pretorius Family Trust: Traffic Circle	60,000	-
Spatial Development Plan	-	147,265
Total Conditional Grants and Receipts	4,664,517	3,182,004

See Note 30 for reconciliation of grants by other spheres of government.

18. VAT**VAT payable**

-	-
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VAT is accounted for on the receipts basis. Only when payment has been received from debtors VAT is paid over to SARS. No interest is payable to SARS if the VAT is paid over timeously, but interest for late payments is charged according to SARS policies. The municipality has financial risk policies in place to ensure that payments are effected before the due date.

19. FINANCE LEASE PAYABLES**The Municipality as lessee*****Leasing arrangements:***

Capitalised Lease Liabilities relate to office equipment with lease terms of five years (2011: five years). The effective interest rate on finance leases is between 6.43 % and 24.86 % (2011: 13.97 % and 21.53 %). Capitalised lease liabilities are secured over the items of office equipment leased.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****19. FINANCE LEASE PAYABLES (continued)**

The Municipality as lessee (continued)

The obligations under finance leases are scheduled below:

	Minimum Lease Payments		Present Value of Minimum Lease	
	2012	2011	2012	2011
	R	R	R	R
Amounts payable under finance leases				
Within one year	361,051	428,321	313,210	350,719
1 to 5 years	493,125	341,878	392,556	301,048
More than 5 years	-	-	-	-
	854,176	770,199	705,766	651,767
Less: Future finance charges	(148,410)	(118,432)		
Present Value of Lease obligations (see note)	705,766	651,767	705,766	651,767
Less amounts due for settlement within 12 months (current portion)			(313,210)	(350,719)
Amounts due for settlement after 12 months (non-current)			392,556	301,048

The municipality has finance lease agreements for office equipment.

Included are the following significant leases:

(i) **Bizhub 160F Copier (YZN Head Office)**

- Instalments are payable monthly in advance
- Average period outstanding 13 months
- Average effective interest rate 15.40 %
- Average monthly instalment 5,697

(ii) **Bizhub 750/FS-505 Copier**

- Instalments are payable monthly in advance
- Average period outstanding 7 months
- Average effective interest rate 13.97 %
- Average monthly instalment 5,261

(iii) **HiPath 3800 V8**

- Instalments are payable monthly in advance
- Average period outstanding 55 months
- Average effective interest rate 6.43 %
- Average monthly instalment 6,346

20. LONG- TERM LIABILITIES

Annuity Loans	152,802,518	53,098,210
Capitalised Lease Liability (see to note 19).	705,766	651,767
Sub-total	153,508,284	53,749,977
Less : Current portion transferred to current liabilities	6,825,690	4,583,377
Annuity Loans	6,512,480	4,232,658
Capitalised Lease Liability	313,210	350,719
Total: Long-term Liabilities (Neither past due nor impaired)	146,682,594	49,166,600

Summary of arrangements

Annuity Loans are repaid over periods varying from ten to twenty years (2011: ten to twenty years), and at interest rates varying from 9.575 % to 15.50 % (2011: 9.575 % to 15.50 %). Annuity Loans are not secured.

For detail of leasing arrangements regarding capitalised finance lease liabilities refer to note 19.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	R	R

20. LONG- TERM LIABILITIES (continued)*Summary of arrangements (continued)*

Refer to APPENDIX A for more detail on long- term liabilities.

21. POST RETIREMENT MEDICAL AID BENEFIT LIABILITY

Post-Employment Health Care Benefit Liability	29,465,874	25,894,658
Total: Post Retirement Medical Aid Benefit Liability	29,465,874	25,894,658
Less: Transfer to Current Provisions	(1,286,583)	(1,236,643)
Net Post-Employment Health Care Benefit Liability	28,179,291	24,658,015

The Municipality provides certain post retirement medical benefits by funding the medical aid contributions of certain retired members of the Municipality. According to the rules of the medical aid funds, with which the municipality is associated, a member (who is on the current condition of service), on retirement, is entitled to remain a continued member of such medical aid fund, in which case the Municipality is liable for a certain portion of the medical aid membership fee.

The most recent actuarial valuations of the present value of the unfunded defined benefit obligation were carried out as at 30 June 2012 by Poneso Actuarial Consultants, a member of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. No other post retirement benefits are provided by the municipality.

The Post Employment Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

- In-service members	242	246
- Continuation members	52	50
Total	294	296

The liability in respect of past service has been estimated to be as follows:

- In-service members	13,521,365	11,421,202
- Continuation members	15,944,509	14,473,456
	29,465,874	25,894,658

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

- Bonitas
- Hosmed
- Keyhealth
- LA Health
- Pro Sano
- Samwumed

The future service cost for the ensuing year is established to be R 1,597,772, whereas the interest-cost for the next year is estimated to be R 2,162,795 (2011: R 1,184,079 and R 2,003,635 respectively).

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount rate	7.34 %	8.51 %
Health Care Cost Inflation Rate	5.47 %	6.62 %
Net Effective Discount Rate	1.77 %	1.77 %
Expected Rate of Salary Increase	5.49 %	6.64 %
General Inflation Rate (CPI)	5.27 %	5.54 %
Expected Retirement Age - Females	63	63
Expected Retirement Age - Males	64	64

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

	2012 R	2011 R
21. POST RETIREMENT MEDICAL AID BENEFIT LIABILITY (continued)		
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	29,465,874	25,894,658
Fair value of plan assets	-	-
	29,465,874	25,894,658
Unrecognised past service cost	-	-
Unrecognised actuarial gains	-	-
Present value of unfunded obligations	29,465,874	25,894,658
Benefit Liability	29,465,874	25,894,658

The amount recognised in the Statement of Financial Performance are as follows:

Current service cost	1,184,279	1,510,443
Interest cost	2,203,635	2,079,301
Actuarial (gains)/losses	1,403,159	(116,268)
Total included in Employee Related Costs (see to note 32).	4,791,073	3,473,476

The movement in the defined benefit obligation over the year is as follows:

Balance at beginning of year	25,894,658	23,581,043
Current service cost	1,184,279	1,510,443
Interest cost	2,203,635	2,079,300
Benefits paid	(1,219,857)	(1,159,860)
Actuarial (gain)/loss on the obligation	1,403,159	(116,268)
Balance at end of year	29,465,874	25,894,658

The effect of a 1 % movement in the assumed rate of health care cost inflation is as follows:

Increase

Effect on the aggregate of the current service cost and the interest cost	751,136	862,148
Effect on the defined benefit obligation	4,742,954	4,130,685

Decrease

Effect on the aggregate of the current service cost and the interest cost	(587,480)	(443,870)
Effect on the defined benefit obligation	(3,824,505)	(3,280,738)

The history of experienced adjustments is as follows:

	2012	2011	2010	2009	2008
Defined benefit obligation	29,465,874	25,894,658	23,581,042	22,182,018	20,900,921
Experience adjustments on plan liabilities	1,336,000	(96,453)	2,910,018	(271,882)	(2,232,699)

The municipality expects to make a contribution of R 3,760,567 (2011: R 3,387,914) to the defined benefit plans during the next financial year.

Refer to Note 48 "Multi- Employer Retirement Benefit Information" to the Annual Financial Statements for more information regarding the municipality's other retirement funds that is Provincially and Nationally administered.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

	2012 R	2011 R
22. OTHER NON- CURRENT PROVISIONS		
<i>Long Service Awards</i>		
Provision for Long Service Awards	5,417,250	4,631,672
Total Provision for Long Service Awards	5,417,250	4,631,672
Less: Transfer to Current Provisions	(291,470)	(340,205)
Net Long Service Awards liability	5,125,780	4,291,467

A long-service award is granted to municipal employees after the completion of fixed periods of continuous service with the Municipality (which includes their uninterrupted service with the former local authorities amalgamated in December 2000 to become Swartland Municipality). The said award comprises a certain number of vacation leave days which, in accordance with the option exercised by the beneficiary employee, can be converted into a cash amount based on his/her basic salary applicable at the time the award becomes due or, alternatively, credited to his/her vacation leave accrual. The provision represents an estimation of the awards to which employees in the service of the Municipality at 30 June 2012 may become entitled to in future, based on an actuarial valuation performed at that date.

The most recent actuarial valuations of the present value of the unfunded defined benefit obligation were carried out as at 30 June 2012 by Poneso Actuarial Consultants, a member of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method. No other long service benefits are provided by the municipality.

The future service cost for the ensuing year is established to be R 440,918, whereas the interest-cost for the next year is estimated to be R 381,241 (2011: R 402,101 and R 379,680 respectively).

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Discount rate	7.34 %	8.51 %
Expected Rate of Salary Increase	5.49 %	6.64 %
Net Effective Discount Rate	1.75 %	1.75 %
General Inflation Rate (CPI)	5.27 %	5.54 %
Expected Retirement Age - Females	63	63
Expected Retirement Age - Males	64	64

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	5,417,250	4,631,672
	5,417,250	4,631,672
Present value of unfunded obligations	5,417,250	4,631,672
Net liability	5,417,250	4,631,672

The amount recognised in the Statement of Financial Performance are as follows:

Current service cost	402,101	367,534
Interest cost	379,680	359,513
Past service cost (Profit)	-	-
Actuarial (gain)/loss on the obligation	506,867	247,453
Total included in Employee Related Costs (see to note 32).	1,288,648	974,500

The movement in the defined benefit obligation over the year is as follows:

Balance at beginning of year	4,631,672	3,976,914
Current service cost	402,101	367,534
Interest cost	379,680	359,513
Past service cost (Profit)	-	-
Benefits paid	(503,070)	(319,742)
Actuarial (gain)/loss on the obligation	506,867	247,453
Balance at end of year	5,417,250	4,631,672

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****22. OTHER NON- CURRENT PROVISIONS (continued)***Long Service Awards (continued)*

The history of experienced adjustments is as follows:

	2012	2011	2010	2009	2008
Defined benefit obligation	5,417,250	4,631,672	3,976,914	3,499,643	2,699,790
Experience adjustments on plan liabilities	291,445	397,711	(87,846)	630,992	(396,187)

23. HOUSING DEVELOPMENT FUND

	2012 R	2011 R
Balance at the beginning of the year	625,764	1,485,459
Income	250,433	252,187
Maintenance	37,999	38,021
House selling scheme loans	172,585	174,317
Housing debtors	39,849	39,849
Less: Expenses	394,615	1,111,882
Funding operating projects	394,615	1,111,882
	481,582	625,764

Analysis of the composition of the Housing Development Fund:

Housing Development Fund	481,582	625,764
Unappropriated Surplus	-	120,665
Loans extinguished by Government on 1 April 1998	481,582	505,099

The Housing Development Fund is represented by the following assets and liabilities:

		Restated
Housing selling scheme loans (see note 12).	226,463	238,814
Long- Term Receivables (see note 13).	255,119	266,285
Bank and cash	-	120,665

Total Housing Development Fund Assets and Liabilities

481,582	625,764
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The Housing Development Fund contain all proceeds from housing developments, which include rental income and sale of houses. Monies standing to the credit of the Housing Development Fund are used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

24. ACCUMULATED SURPLUS**Restated**

The following internal funds and reserves are ring-fenced within the Accumulated Surplus.

Capital replacement reserve	110,382,460	124,207,183
Capitalisation reserve	1,250,104,725	1,299,760,649
Donations and public contribution reserve	7,649,684	7,826,490
Government Grants Reserve	154,993,901	145,935,421
Accumulated surplus/(deficit) due to the results of operations	264,038,801	227,749,019

Total Accumulated Surplus

1,787,169,571	1,805,478,762
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The Capital Replacement Reserve is a reserve to finance future capital expenditure.

The Capitalisation Reserve equals the carrying value of the items of property, plant and equipment from the former legislated funds. The Capitalisation Reserve ensures consumer equity and is not backed by cash.

The Donation and Public Contribution Reserve equals the carrying value of the items of property, plant and equipment financed from public contributions and donations. The Donation and Public Contribution Reserve ensures consumer equity and is not backed by cash.

The Government Grant Reserve equals the carrying value of the items of property, plant and equipment financed by government. The Government Grant Reserve ensures consumer equity and is not backed by cash.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

	2012 R	2011 R Restated
25. VAT		
VAT receivable	823,089	749,716

VAT is accounted for on the receipts basis. Only when payment has been received from debtors VAT is paid over to SARS.

26. PROPERTY RATES**Restated**IncomeActual

Residential, Commercial, Industrial, Rural and Other
State

59,665,754	55,791,446
2,071,607	1,914,114
61,737,361	57,705,560

Less: Revenue Forgone

1,278,930	1,069,581
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Total Assessment Rates

60,458,431	56,635,979
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ValuationsActual

Residential, Commercial, Industrial, Rural and Other
State

13,736,160,228	13,690,937,558
358,656,500	346,353,500

14,094,816,728	14,037,291,058
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Assessment Rates are levied on the value of land and improvements, less R 15,000 for residential properties, which valuation must be performed every four years. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations, consolidations and subdivisions. The last valuation came into effect on 1 July 2008.

Uniform rates of 0.5933 c/R (2010/2011: 0.56 c/R) cent in the Rand on land and building valuations were applied to determine assessment rates. A rebate of 40.00 % (2010/2011: 40.00%) was allowed on residential properties for pensioners based on the annual income of the ratepayer whilst a discount of 75 % (2010/2011: 75 %) was granted on properties owned by residence of Jakkalsfontein and Grotto Bay as well as on agricultural land.

Rates are levied annually on property owners. Owners are allowed to pay the annual assessment in 12 monthly instalments, which are payable the last of day of the month. Interest is levied at the prime rate plus 1% on outstanding rates amounts.

	2012 R	Restated 2011 R
27. SERVICE CHARGES INCOME		
Sale of electricity	155,100,579	130,099,392
Sale of water	30,852,414	27,841,337
Refuse removal	19,151,435	16,259,699
Sewerage and sanitation charges	26,124,745	21,911,290
	231,229,173	196,111,718
Less: Revenue Forgone	20,403,289	16,577,305
Total Service Charges	210,825,884	179,534,413

The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

28. INTEREST EARNED**Restated****External Investments / Cash Deposits:**

Bank Account
Interest earned- other

238,841	200,026
10,370,303	11,125,888

10,609,144	11,325,914
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Outstanding Debtors:

Rates
Long-term Receivables
Consumer Debtors
Other Debtors

370,654	369,383
5,389	6,478
780,278	700,375
138,942	101,675

1,295,263	1,177,911
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Total Interest Earned

11,904,407	12,503,825
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SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

	2012 R	2011 R
28. INTEREST EARNED (continued)		
Interest Earned on Financial Assets, analysed by category of asset, is as follows:		Restated
Available-for-Sale Financial Assets	-	-
Loans and Receivables	11,904,407	12,503,825
	11,904,407	12,503,825
Interest Earned on Non-financial Assets	-	-
29. RENTAL OF FACILITIES AND EQUIPMENT		
Rental Revenue from Buildings	398,757	426,814
Rental Revenue from Halls	227,442	225,914
Rental Revenue from Other facilities	2,287,152	1,751,958
Total Rental of Facilities and Equipment	2,913,351	2,404,686
Rental revenue earned on Facilities and Equipment is in respect of Non-financial Assets rented out.		
30. GOVERNMENT GRANTS AND SUBSIDIES		
Broadcasting Booth Gene Louw	150,000	-
Cleanest Town	630,452	88,124
Chatsworth Streets and Stormwater	-	10,186,940
Chatsworth/Malmesbury Pipeline	-	-
Community Development: Workers	23,884	57,086
Disaster Fund	-	-
Electricity: Internal Installations Darling	-	1,746,000
Financial Management Grant	1,599,684	670,166
Housing: Abbotsdale	505,533	-
Housing: Chatsworth	11,756,466	26,406,496
Housing Consumer Education Grant	20,037	36,453
Ilinge Lethu Advisory Centre	137,130	33,073
Ilinge Lethu Centre	-	12,517
Libraries	3,855,917	585,000
Masterplanning	-	150,000
Municipal Infrastructure Grant	11,974,000	9,869,797
Municipal Systems Improvement Grant	821,304	734,794
Pedestrian Pathways	600,000	-
Proclaimed Roads Subsidies	172,000	200,000
Purchase of Land: ECD Facility	250,000	-
Sondeza	100,000	-
Thusong Centre	-	-
Sport Development	-	-
Financial Management Support Grant	271,184	-
Water Pump Station: Moorreesburg	616,595	-
Total Government Grant and Subsidies	33,484,186	50,776,446
30. 1 Broadcasting Booth: Moorreesburg		
Balance unspent at beginning of year	-	-
Current year receipts	-	-
Conditions met - transferred to revenue	(150,000)	-
Conditions met - transferred to debtors	150,000	-
Conditions still to be met transferred to liabilities (see note 17)	-	-

Funds made available by PAWC for the construction of a Broadcasting Booth at the Gene Louw Sport complex.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

	2012 R	2011 R
30. GOVERNMENT GRANTS AND SUBSIDIES (continued)		
30. 2 <i>Cleanest Town</i>		
Balance unspent at beginning of year	79,420	127,544
Current year receipts	78,822	40,000
Conditions met - transferred to revenue	(630,452)	(88,124)
Conditions met - transferred to debtors	548,030	-
Conditions still to be met transferred to liabilities (see note 17)	75,820	79,420
Funds made available by PAWC for the construction of streets and stormwater in Chatsworth.		
30. 3 <i>Chatsworth Streets and Stormwater</i>		
Balance unspent at beginning of year	-	-
Current year receipts	-	15,186,940
Conditions met - transferred to revenue	-	(10,186,940)
Conditions met - transferred to debtors	-	-
Transferred to debtors	-	(5,000,000)
Conditions still to be met transferred to liabilities (see note 17)	-	-
Funds made available by PAWC for the construction of streets and stormwater in Chatsworth.		
30. 4 <i>Chatsworth/Malmesbury Pipeline</i>		
Balance unspent at beginning of year	-	-
Current year receipts	-	1,813,060
Conditions met - transferred to revenue	-	-
Conditions met - transferred to debtors	-	-
Transferred to debtors	-	(1,813,060)
Conditions still to be met transferred to liabilities (see note 17)	-	-
Funds made available by PAWC for the construction of a water pipeline between Chatsworth and Malmesbury.		
30. 5 <i>Community Development: Workers</i>		
Balance unspent at beginning of year	-	7,086
Current year receipts	26,000	50,000
Conditions met - transferred to revenue	(23,884)	(57,086)
Conditions still to be met transferred to liabilities (see note 17)	2,116	-
Funds made available for sundry expenditure and stationery for workers, under the control of the Municipality but remunerated by PAWC.		
30. 6 <i>Disaster Fund</i>		
Balance unspent at beginning of year	-	-
Current year receipts	108,505	-
Conditions met - transferred to revenue	-	-
Conditions still to be met transferred to liabilities (see note 17)	108,505	-
Funds provided and partly expended on flood and fire damage of low cost housing.		
30. 7 <i>Electricity: Infrastructure Darling</i>		
Balance unspent at beginning of year	-	-
Current year receipts	-	3,000,000
Conditions met - transferred to revenue	-	(1,746,000)
Conditions met - transferred to debtors	-	-
Transferred to debtors	-	(1,254,000)
Conditions still to be met transferred to liabilities (see note 17)	-	-
Funds made available by Department of Energy for electrical infrastructure.		

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

	2012 R	2011 R
30. GOVERNMENT GRANTS AND SUBSIDIES (continued)		
30. 8 Financial Management Grant		
Balance unspent at beginning of year	355,330	25,496
Current year receipts	1,250,000	1,000,000
Conditions met - transferred to revenue	(1,599,684)	(670,166)
Transferred to Equitable Share	(25,000)	-
Transferred to debtors	19,354	-
Conditions still to be met transferred to liabilities (see note 17)	-	355,330
The purpose of the grant is to enable the Municipality to modernise and improve its financial management activities entailing, among others, capacity building, the implementation of municipal finance management legislation and regulating policies and compliance with generally accepted municipal accounting practices.		
30. 9 Housing: Abbotsdale		
Balance unspent at beginning of year	-	-
Current year receipts	505,533	-
Conditions met - transferred to revenue	(505,533)	-
Conditions still to be met transferred to liabilities (see note 17)	-	-
Funds provided to enable the Municipality to finance the construction costs of housing for low income groups.		
30. 10 Housing: Chatsworth		
Balance unspent at beginning of year	1,362,274	-
Current year receipts	13,326,062	27,768,770
Conditions met - transferred to revenue	(11,756,466)	(26,406,496)
Conditions still to be met transferred to liabilities (see note 17)	2,931,870	1,362,274
Funds provided to enable the Municipality to finance the construction costs of housing for low income groups.		
30. 11 Housing Consumer Education Grant		
Balance unspent at beginning of year	47,234	83,687
Current year receipts	-	-
Conditions met - transferred to revenue	(20,037)	(36,453)
Conditions still to be met transferred to liabilities (see note 17)	27,197	47,234
Funds allocated for educating first time homeowners.		
30. 12 Ilinge Lethu Advisory Centre		
Balance unspent at beginning of year	137,130	10,203
Current year receipts	-	160,000
Conditions met - transferred to revenue	(137,130)	(33,073)
Conditions still to be met transferred to liabilities (see note 17)	-	137,130
Funds provided to the Municipality to finance the cost of the transformation of the existing inadequate facility serving the township into a suitable community centre.		
30. 13 Ilinge Lethu Multipurpose Centre		
Balance unspent at beginning of year	-	12,517
Current year receipts	-	-
Conditions met - transferred to revenue	-	(12,517)
Conditions still to be met transferred to liabilities (see note 17)	-	-
Funds provided to the Municipality to finance the cost of the transformation of the existing inadequate facility serving the township into a suitable community centre.		
30. 14 Libraries		
Balance unspent at beginning of year	-	-
Current year receipts	3,855,917	585,000
Conditions met - transferred to revenue	(3,855,917)	(585,000)
Conditions still to be met transferred to liabilities (see note 17)	-	-
Funds provided for salaries of additional contract workers appointed at the libraries in the area under the jurisdiction of the Swartland Municipality as well as the maintenance of the library buildings.		

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

	2012 R	2011 R
30. GOVERNMENT GRANTS AND SUBSIDIES (continued)		
30. 15 Masterplanning		
Balance unspent at beginning of year	-	150,000
Current year receipts	-	-
Conditions met - transferred to revenue	-	(150,000)
Conditions still to be met transferred to liabilities (see note 17)	-	-
Funds provided for the compiling of masterplans.		
30. 16 Municipal Infrastructure Grant		
Balance unspent at beginning of year	-	914,797
Current year receipts	11,974,000	8,955,000
Conditions met - transferred to revenue	(11,974,000)	(9,869,797)
Conditions met - transferred to debtors	-	-
Conditions still to be met transferred to liabilities (see note 17)	-	-
Funds made available to the Municipality for the upgrading of existing infrastructure in its area of jurisdiction and/or the erection/construction of new amenities required for service delivery.		
30. 17 Municipal Systems Improvement Grant		
Balance unspent at beginning of year	453,351	438,145
Current year receipts	790,000	750,000
Conditions met - transferred to revenue	(821,304)	(734,794)
Transferred to Equitable Share	(438,000)	
Transferred to Debtors	15,953	
Conditions still to be met transferred to liabilities (see note 17)	-	453,351
The purpose of the grant is to enable the Municipality to modernise and improve its financial management activities entailing, among others, the implementation of GRAP compliant Financial Statements and Asset Register, municipal finance management legislation and regulating policies.		
30. 18 Pedestrian Pathways		
Balance unspent at beginning of year	600,000	-
Current year receipts	-	600,000
Conditions met - transferred to revenue	(600,000)	-
Conditions still to be met transferred to liabilities (see note 17)	-	600,000
Funds provided to the Municipality to finance the cost of sidewalks.		
30. 19 Proclaimed Roads Subsidies		
Balance unspent at beginning of year	-	-
Current year receipts	172,000	200,000
Conditions met - transferred to revenue	(172,000)	(200,000)
Conditions still to be met transferred to liabilities (see note 17)	-	-
Expenditure incurred by the Municipality in connection with the maintenance of proclaimed main roads falling under the jurisdiction of the Municipality, in accordance with a budget approved by the PAWC, which costs is partly recoverable from the Administration.		
30. 20 Purchase of land: ECD Facility		
Balance unspent at beginning of year	-	-
Current year receipts	250,000	-
Conditions met - transferred to revenue	(250,000)	-
Conditions still to be met transferred to liabilities (see note 17)	-	-
Funds provided by the Provincial Administration for the purchase of land to erect a facility for Early Childhood Development.		

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

	2012 R	2011 R
30. GOVERNMENT GRANTS AND SUBSIDIES (continued)		
30. 21 Sondeza		
Balance unspent at beginning of year	-	-
Current year receipts	100,000	-
Conditions met - transferred to revenue	(100,000)	-
Conditions still to be met transferred to liabilities (see note 17)	-	-
Funds allocated for the establishment and upgrading of sport facilities.		
30. 22 Thusong Centre		
Balance unspent at beginning of year	-	-
Current year receipts	500,000	-
Conditions met - transferred to revenue	-	-
Conditions still to be met transferred to liabilities (see note 17)	500,000	-
Funds allocated and expended in connection with expanding and renovating the Thusong Centre.		
30. 23 Financial Management Support Grant		
Balance unspent at beginning of year	-	-
Current year receipts	300,000	-
Conditions met - transferred to revenue	(271,184)	-
Conditions still to be met transferred to liabilities (see note 17)	28,816	-
Funds that were allocated and spend are utilised to determine financial ratios for future benchmarking in Municipalities.		
30. 24 Water Pump Station: Moorreesburg		
Balance unspent at beginning of year	-	-
Current year receipts	616,595	-
Conditions met - transferred to revenue	(616,595)	-
Conditions still to be met transferred to liabilities (see note 17)	-	-
Expenditure incurred by the Municipality in connection with the upgrading of a Water Pumpstation in Moorreesburg.		
30. 25 Changes in levels of government grants		
Based on the allocations set out in the Division of Revenue Act, (Act 1 of 2005), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.		
31. OTHER REVENUE		Restated
Included in other income is the following:-		
Administration Costs	60,657	62,256
Admission Fees: Malmesbury	108,989	124,458
Application: Service Connections	165,170	204,036
Blockages: Sewerage	326,735	314,295
Bulk Waste Dumping	779,605	400,388
Capital Contribution (Developers): Fixed	334,061	540,026
Cemetery Fees: Darling	65,071	72,986
Cemetery Fees: Malmesbury	143,558	145,799
Cemetery Fees: Moorreesburg	148,987	113,545
Clearance Certificates	74,947	65,899
Commission: Collections	50,929	-
Contribution Parking Areas	103,944	121,260
Credit Card Cost: Recoverable	68,575	81,854
Deviation of Building Regulation	100,465	85,939
Discount: Fuel	65,084	67,282
Efficiency Development	530,842	265,101
Entrance Fees Boats	218,935	143,316
Entrance Fees: Rubber Ducks	50,790	-
Escorts: Heavy Vehicles	-	57,058
Film Shooting	76,754	118,421
Industrial Sewerage	3,792,515	4,769,868
New Connections	1,310,545	1,384,590
Photostats	123,569	123,741

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

	2012 R	2011 R
31. OTHER REVENUE (continued)		
Plan fees: Buildings	976,994	1,280,700
Plan Fees: Unauthorized Building	172,796	248,138
Rates: Lessees	109,939	106,536
Refuse Coupons: Malmesbury	171,710	121,097
Refuse Coupons: Moorreesburg	58,957	55,790
Selling: Purified Sewerage Water	1,201,259	568,175
Special Waste Dumping	900,999	-
Street Entrances and Pavements	71,582	50,717
Deposits Forfeited	1,728,836	-
Valuation Certificates	54,287	-
Wonderbags	82,100	-
Housing Scheme/Private Organisations Loan Instalments	212,434	214,165
Other (less than 50 000)	694,102	808,392
Total Other Income	15,136,722	12,715,828

The amounts disclosed above for Other Income are in respect of services rendered, other than described in Notes 3 and 4, which are billed to or paid for by the users according to approved tariffs.

32. EMPLOYEE RELATED COSTS

Employee related costs - Salaries and Wages	65,337,048	60,413,442
Employee related costs - Contributions for UIF, pensions and medical aids	18,134,982	16,604,294
Travel, motor car, accommodation, subsistence and other allowances	10,083,041	9,191,764
Housing benefits and allowances	472,836	438,860
Overtime payments	3,910,082	3,521,944
Bonuses: 13th Cheque	5,173,151	4,689,805
Contribution to Leave Gratuity	1,235,656	1,379,730
Contribution to provision for post- retirement medical aid benefits:	4,791,073	3,473,476
<i>Current service cost</i>	1,184,279	1,510,443
<i>Interest cost</i>	2,203,635	2,079,301
<i>Actuarial (gains)/losses</i>	1,403,159	(116,268)
Contribution to long-service provision	1,288,648	974,500
Total Employee Related Costs	110,426,517	100,687,815

No advances were made to employees.

Remuneration of the Municipal Manager

Annual Remuneration	899,792	897,260
Car Allowance	220,886	109,480
Long-service award	46,138	-
Other	372	6,173
Contributions to UIF, Medical and Pension Funds, etc.	198,722	230,829
Total	1,365,910	1,243,742

Remuneration of the Chief Finance Officer

Annual Remuneration	573,527	440,774
Car Allowance	213,748	211,598
13 th Cheque	-	76,616
Long-service award	-	-
Leave Pay	30,725	28,002
Other	641	2,512
Contributions to UIF, Medical and Pension Funds, etc.	139,359	129,754
Total	958,000	889,256

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****32. EMPLOYEE RELATED COSTS (continued)***Remuneration of Individual Executive Directors***30 June 2012**

	Corporate Services	Civil Engineering Services	Electrical Engineering Services	Development Services	Protection Services
Annual Remuneration	581,481	595,681	549,700	573,517	535,026
Car Allowance	60,177	84,945	169,252	141,731	183,185
Long-service award	-	47,535	-	-	-
Leave Pay	-	54,450	55,827	-	28,019
Other	-	-	-	-	512
Contributions to UIF, Medical and Pension Funds, etc.	148,776	149,530	158,379	150,067	147,881
Total	790,434	932,141	933,158	865,315	894,623

30 June 2011

	Corporate Services	Civil Engineering Services	Electrical Engineering Services	Development Services	Protection Services
Annual Remuneration	528,825	541,370	456,645	484,065	443,100
Car Allowance	60,177	84,945	156,008	129,446	172,335
13 th Cheque	-	-	38,054	40,339	36,925
Leave Pay	-	-	-	-	25,819
Other	50	510	5,759	3,584	7,587
Contributions to UIF, Medical and Pension Funds, etc.	135,682	136,283	143,378	148,602	131,426
Total	724,734	763,108	799,844	806,036	817,192

2012
R **2011**
R

The following accrued to key management personnel in terms of IAS 19 as at 30 June:

Post Retirement Medical Aid Benefit Liability:

Municipal Manager	111,505	91,974
Chief Financial Officer	131,602	109,113
Executive Director: Corporate Services	67,522	56,651
Executive Director: Civil Engineering Services	190,912	155,425
Executive Director: Electrical Engineering Services	195,373	157,331
Executive Director: Development Services	174,919	143,084
Executive Director: Protection Services	124,607	103,137

Total	996,440	816,715
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Long Service Awards Liability

Municipal Manager	67,774	76,765
Chief Financial Officer	60,823	39,748
Executive Director: Corporate Services	106,390	84,095
Executive Director: Civil Engineering Services	-	20,747
Executive Director: Electrical Engineering Services	55,611	32,502
Executive Director: Development Services	111,762	18,064
Executive Director: Protection Services	38,974	30,073

Total	441,334	301,994
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Staff leave

Municipal Manager	193,223	192,254
Chief Financial Officer	98,609	55,243
Executive Director: Corporate Services	110,724	69,658
Executive Director: Civil Engineering Services	126,678	163,559
Executive Director: Electrical Engineering Services	180,126	145,268
Executive Director: Development Services	220,549	148,124
Executive Director: Protection Services	93,864	54,058

Total	1,023,773	828,164
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SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

	2012 R	2011 R
33. REMUNERATION OF COUNCILLORS		
Executive Mayor	394,176	362,167
Deputy Executive Mayor	312,336	286,977
Speaker	274,553	286,977
Mayoral Committee Members	1,167,504	565,768
Councillors	1,720,096	1,475,597
Councillor's - pension contribution	581,774	446,851
Councillor's - medical aid contribution	395,254	345,693
Councillor's - insurance unemployment	-	-
Councillor's - travelling allowances	1,456,177	1,256,382
Councillor's - telephone allowances	317,309	258,166
Total Councillors - Remuneration	6,619,179	5,284,578

In-kind Benefits

The Councillors occupying the positions of Executive Mayor, Deputy Executive Mayor, Speaker and Executive Mayoral Committee Members of the Municipality serve in a full-time capacity. They are provided with office accommodation and secretarial support at the expense of the Municipality in order to enable them to perform their official duties.

		Restated
34. DEPRECIATION AND AMORTISATION		
Depreciation: Property, Plant and Equipment (Refer note 8)	66,887,196	64,861,122
Amortisation: Intangible Assets (Refer note 1)	69,406	26,015
Depreciation: Investment Property (Refer note 11)	49,751	48,131
Total Depreciation and Amortisation	67,006,353	64,935,268

35. INTEREST PAID

Long-term liabilities	5,183,251	6,156,224
Finance Leases	71,471	113,451
Total Interest on External Borrowings	5,254,722	6,269,675

36. BULK PURCHASES

Electricity	104,522,229	83,003,187
Water	18,036,122	17,395,563
Total Bulk Purchases	122,558,351	100,398,750

Bulk Purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to the consumers. Electricity is purchased from Eskom whilst water is purchased from the West Coast District Municipality.

37. GRANTS AND SUBSIDIES PAID

* Darling Focus	40,000	-
* Huis van Heerde	25,000	25,000
SPCA	168,540	168,540
* ECD Centres	40,000	-
* Elkana Childcare	45,000	-
* Multipurpose Centre: Chatsworth	-	-
* Multi Purpose Centre: Illinge Lethu	42,327	30,334
* Multi Purpose Centre: Kalbaskraal	4,469	2,080
* Multi Purpose Centre: Moorreesburg	-	20,000
Museum - Malmesbury	41,200	41,200
Museum - Darling	41,200	41,200
Museum - Oude Kerk	41,200	41,200
Museum - Wheat Industry	41,200	41,200
National Sea Rescue Institute	30,000	-
* Night Shelter	25,000	25,000
* "Ons Kan" Training Centre	20,000	20,000
Tourism Swartland and Coastal Area	575,619	578,275
Yzerfontein Conservancy	50,000	50,000
Total Grants and Subsidies	1,230,755	1,084,029

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	R	R

37. GRANTS AND SUBSIDIES PAID (continued)

Due to the need in the Swartland Municipal area for expert services and resources to support effective domestic animal management initiatives and controls, for which the Municipality do not have the resources, it is deemed necessary, from a perspective of serving the community, for the Municipality to contribute financially towards the operational costs of the SPCA.

* The aim of **these organisations** entails the social upliftment of the poor and disadvantaged section of the community. Financial aid by the Municipality to these organisations, as well as assistance in counselling and advisory services, is intended to enable them to fulfil the said aim.

Museums generally do not generate sufficient income from own resources, and are therefore dependant on financial aid from the public and organisations to meet their financial needs and obligations. The Municipality, consequently regards it appropriate to contribute financially to this end.

The National Sea Rescue Institute (NSRI) is a non-profit organisation dedicated to the preservation of all persons at sea. Their members provide their services on a voluntary basis and the organisation is dependent on donations and sponsorship from the public. The NSRI operates a base from Yzerfontein providing a rescue service to the commercial and recreational fishing boats as well as bathers in the vicinity. Financial assistance by the Municipality is intended to enable the organisation to fund some of its operations as the Municipality cannot offer this essential service.

Aware of the importance of the promotion of tourism in the area falling under the Municipality, the Council deems it their duty and privilege to assist financially towards the needs of the various **tourism bureau's** serving the area.

The **Yzerfontein Urban Conservancy** came into being to preserve and promote, on a voluntary basis, the conservation of the environment and heritage in, specifically, the sensitive coastal region within the boundaries of the Yzerfontein Local Nature Reserve. Financial assistance by the Municipality is intended to enable the Organisation to fund its programmes.

38. RESEARCH AND DEVELOPMENT COSTS

Electricity	-	95,675
Water	100,000	150,000
Sewerage	130,989	203,597
Refuse	-	140,680
Total Research and Development Costs	230,989	589,952

Research and Development Costs disclosed above, have been expensed immediately and are in respect of research into the future needs of the municipality and new resources to fulfil these needs.

39. GENERAL EXPENSES**Restated**

Included in general expenses is the following:-

Actuarial Costs	18,950	18,900
Abbotsdale Private Sewerage Connections	2,651,992	93,000
Administration Costs: Vehicles	89,573	89,192
Advertisements	528,880	456,195
Allowances: Ward Committee	-	-
Audit Committee Expenditure	51,371	54,304
Audit Costs	1,501,937	1,298,986
Bank costs	755,700	543,090
Cellphone Costs	366,030	369,925
Chatsworth Housing	419,298	485,324
Chemicals	1,084,340	954,642
Cloaks	26,250	-
Commission	1,255,241	1,244,660
Compliance	240,250	-
Connection Fees	939,008	930,921
Connection Fees: Eskom	1,381,102	88,821
Consumables	483,407	486,622
Delegations/Congresses	64,935	72,801
Demolitions	309,125	-
Disaster Management	71,479	94,123
Efficiency Development	867,395	769,321
Entertainment	36,168	23,944
Evaluation of Posts	-	68,504
Fuel and Oil	5,208,088	4,187,769
Operating Lease Expenditure	115,682	118,391

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	R	R
39. GENERAL EXPENSES (continued)		
Insurance	812,606	650,913
Inventory: Tools and Equipment	51,329	53,646
LED Projects: Red Door	144,675	111,301
Legal Fees	1,071,394	506,430
Licenses: Computer Systems	1,134,853	1,216,429
Masterplanning: Services	230,989	589,952
Mayor Expenses	463	1,154
Membership Fees: Council	649,338	521,135
Postage	701,740	696,051
Printing and Stationery	581,114	553,750
Projects	346,424	340,743
Protective Clothing	696,338	668,896
Refreshments: Offices	152,821	130,974
Rental of Facilities and Hiring of Equipment	124,776	194,470
Security Services	846,383	860,513
Subscriptions	74,992	79,787
Telecommunications	793,859	918,846
Test Station Inspection Fees	30,492	33,892
Testing Sewerage	312,166	321,273
Traffic Fines	3,082,317	2,532,175
Training	134,591	175,850
Travelling Costs	426,868	371,269
Youth Camp (Africa Union)	347,265	306,944
Government Grant Expenditure	10,602,713	17,320,799
Other	6,971,679	8,277,856
Total General Expenses	48,788,386	49,884,483

The amounts disclosed above for Other General Expenses are in respect of costs incurred in the general management of the municipality and is not directly attributable to a specific service or class of expense.

40. CASH GENERATED BY OPERATIONS

		Restated
Surplus for the year	(18,453,373)	9,682,631
Depreciation and Amortisation	67,006,353	64,935,268
Write- off of property, plant and equipment	-	5,502,330
Gain on donated property, plant and equipment	(4,606)	-
(Gain)/Loss on disposal of property, plant and equipment	3,336,481	(8,610,086)
Increase/(Decrease) in provisions	4,958,411	3,267,535
Increase/(decrease) in consumer deposits	495,201	376,859
Investment income	(10,609,144)	(11,325,914)
Interest paid	5,254,722	6,269,675
Operating surplus before working capital changes:	51,984,045	70,098,298
(Increase)/decrease in inventories	(9,064)	(566,890)
(Increase)/decrease in exchange transactions	(4,273,146)	(5,298,187)
(Increase)/decrease in non- exchange transactions	1,981,443	5,643,768
(Decrease)/increase in unspent conditional grants and receipts	1,482,513	(376,228)
Increase/(Decrease) in net operating leases	11,888	16,423
Increase/(Decrease) in creditors	2,124,379	(3,042,123)
Increase/(Decrease) in VAT	(73,373)	(372,336)
Cash generated by/(utilised in) operations	53,228,685	66,102,725

41. NON-CASH INVESTING AND FINANCING TRANSACTIONS

The Municipality was engaged in exchange transactions of non- monetary assets during the year. Various municipal properties were exchanged for similar assets acquired from the registered owners.

42. FINANCING FACILITIES

Unsecured Bank Overdraft Facility, reviewed annually and payable at call:

- Amount used	-	-
- Amount unused	1,000,000	1,000,000
	1,000,000	1,000,000

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
43. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term liabilities (see Note 20)	153,508,284	53,749,977
Used to finance property, plant and equipment - at cost	153,508,284	53,749,977
Sub- total	-	-
Cash set aside for the repayment of long-term liabilities	6,825,690	4,583,377
Cash invested for repayment of long-term liabilities	6,825,690	4,583,377

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. Sufficient cash has been set aside to ensure that the upcoming annual payment for long-term liabilities can be made.

44. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**44. 1 Unauthorised expenditure**

Opening Balance	-	-
Unauthorised capital expenditure in the current year	3,808,563	-
Unauthorised operating expenditure in the current year	4,455,305	-
	8,263,868	-
Less: Approved/Condoned by Council in respect of the previous financial year	-	-
Less: Approved/Condoned by Council in respect of the current financial year	-	-
Unauthorised expenditure awaiting authorisation	8,263,868	-

Unauthorised expenditure to the value of R 8 263 868 occurred as a result of overspending on several votes of the budget. These over expenditure amounts are not recoverable and will be tabled before council for approval or condonement in September 2012.

44. 2 Fruitless and wasteful expenditure

Opening Balance	-	-
Fruitless and wasteful capital expenditure in the current year	-	-
Fruitless and wasteful operating expenditure in the current year	12,188	-
	12,188	-
Less: Approved/Condoned by Council in respect of the previous financial year	-	-
Less: Approved/Condoned by Council in respect of the current financial year	-	-
Fruitless and wasteful expenditure awaiting authorisation	12,188	-

SARS conducted an audit in 2012 for the years 2008/2009 as well as 2009/2010 and discovered that VAT was claimed whilst the vendor was not registered for VAT. An amount of R 12 188 in respect of interest was raised by SARS. No action was taken as no wilful misconduct occurred.

This incident will be tabled before council in September 2012 for approval and possible write-off.

44. 3 Irregular expenditure

To the best of knowledge instances of note indicating that irregular expenses was incurred during the year under review were not revealed.

45. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT**45. 1 Contributions to organized local government**

Opening balance	-	-
Council subscriptions	651,330	497,392
Amount paid - current year	(425,671)	(497,392)
Amount paid - previous years	-	-
Balance unpaid (included in creditors)	225,659	-

45. 2 Audit fees

Opening balance	-	-
Current year audit fee	1,712,208	1,480,844
Amount paid - current year	(1,712,208)	(1,480,844)
Amount written back - previous years	-	-
Balance unpaid (included in creditors)	-	-

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****45. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)****45.3 VAT**

VAT input receivables and VAT output payables are shown in note 18 and 25. All VAT returns have been submitted by the due date throughout the year.

45.4 PAYE, UIF and SDL

Opening balance	-	-
Current year payroll deductions	13,049,969	10,939,691
Amount paid - current year	(13,049,969)	(10,939,691)
Amount paid - previous years	-	-

Balance unpaid (included in creditors)

-	-
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45.5 Pension and Medical Aid Deductions

Opening balance	-	-
Current year payroll deductions and Council Contributions	25,436,852	23,524,722
Amount paid - current year	(25,436,852)	(23,524,722)
Amount paid - previous years	-	-

Balance unpaid (included in creditors)

-	-
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45.6 Councillor's arrear consumer accounts

During the financial year under review no Councillor (present or past) was in arrear with the settlement of their municipal accounts.

45.7 Non-Compliance with Chapter 11 of the Municipal Finance Management Act

In terms of section 36 of the Municipal Supply Chain Management Regulations any deviation from the Supply Chain Management Policy needs to be approved/condoned by the Municipal Manager and noted by Council. The incidents as listed hereunder have been condoned.

Incident	Reasons submitted for non-compliance	Amount (excluding VAT)
Appointment of Hennie De Villiers Architects CC to design a multi-purpose centre on erf 43 Kalbaskraal. Item 7.10 of minutes of the Executive Mayoral Committee held on 15 September 2011.	A need was identified to plan and design a multi-purpose facility on erf 43 due to the size and potential thereof as well as the additional services that can be provided by the Goedgedacht Trust at the facility. The municipality deviated from the SCM policy by appointing Hennie de Villiers Architects to plan and design a multi-purpose facility on erf 43 for the following practical and technical reasons: (i) Due to their involvement in the total process to date as well as their skills and knowledge of the project. (ii) They were instrumental in the designing of the recent childhood facility on Erven 387 & 388 of which the design will be transferred to the design of the multi-purpose centre with the necessary additions. (iii) The design of the childhood facility will not become a fruitless and wasteful expenditure as it will be effectively utilised in the design of the multi-purpose centre. (iv) The amount by which the limit of R300 000 is exceeded is considered to be low in comparison to the benefit for the municipality.	R 379 224.00
Appointment of Ajabu Promotions. Supplying of T-shirts and tops with a logo for Sondeza Afri-Youth camp 2011. Item 7.8 of minutes of the Executive Mayoral Committee held on 7 December 2011.	Due to the sizes of the clothing not being known in advance, quotations could not be obtained earlier. It will be impractical to follow the informal tender process by advertising the rendering of the service for at least seven days and as a service provider will not have sufficient time to purchase the clothing and affix the logo. Ajabu Promotions is known to the Municipality for their quality clothing and is capable of delivering the service prior to the commencement of the camp on 2 December 2011.	R 34 855.39

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011****45. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)****45. 7 Non-Compliance with Chapter 11 of the Municipal Finance Management Act (continued)**

Incident	Reasons submitted for non-compliance	Amount (excluding VAT)
Appointment of Atlas Steel to construct a Commentary Box at the Gene Louw Sport grounds, Moorreesburg. Item 7.9 of minutes of the Executive Mayoral Committee held on 15 September 2011	Atlas Steel was appointed to erect a Commentary Box to the value of R 174 133.00 (excluding VAT) for the following practical and technical reasons: (i) Only one tender had been received and no tenderers in the area could fulfil the requirements. (ii) On account of the Commentary Box being needed by the 26 November 2011 for a large sporting event (emergency), there was insufficient time to request tenderers again. (iii) The quoted price of the tenderer was considered fair. Outside tenders did not tender due to abnormal transport issues of the facility to Moorreesburg, they therefore could not compare with local suppliers.	R 174 133.00
Appointment of Dogs and All for safekeeping and housing of four drug unit dogs of the Swartland Municipal Police. Item 6.14 of the minutes of the Executive Mayoral Committee held on 20 July 2011.	Dogs and All is the sole supplier of this type of service in the Swartland. An amount of R 64 800.00 (excluding VAT) is payable in respect of accommodation for the four dogs.	R 64 800.00
Appointment of Giles Supertension to repair a high tension cable in Dalsig. Item 7.9 of the minutes of the Executive Mayoral Committee held on 7 December 2011.	Due to an emergency Giles Supertension was appointed to repair a high tension cable that was damaged in the Dalsig area resulting in 5 substations and the Sugarbird Factory to be without electricity. The urgent repair of the cable was essential for supplying of electricity in the area. Various suppliers were contacted in respect of their availability to repair the cable. Giles Supertension was the only contractor that was available on the day. The cost of the repairs, supplying of materials and installation amounted to R 33 231.36 (vat exclusive). The price was acceptable and sufficient funds were available in the network maintenance budget.	R 33 231.36
Appointment of Nashua Communications for the supply of a telephone system. Item 7.6 of the minutes of the Executive Mayoral Committee held on 11 October 2011.	WC Communications gave the Municipality notice that their equipment would not be available for hire as from 1 August 2011 which will result in Darling and Yzerfontein not being available on Telkom numbers and no internal calls could be made or received by these municipal offices or the standby personnel. The maintenance and operation of the telephone systems for Swartland was recently awarded to Nashua Communications by means of a formal tender process and they confirmed that the Proteus is the only system certified on which budget control could be implemented on the Siemens telephone system. Due to the emergency regarding service delivery in Darling and Yzerfontein and the impracticality of other suppliers providing systems that needs to be linked to the main telephone system, Nashua Communications was appointed to install and maintain the software for the telephone network of Swartland Municipality including Darling and Yzerfontein.	R 77 432.45
Appointment of WJ Cotter Electrical for repairing a sewerage pump. Item 7.11 of the minutes of the Executive Mayoral Committee held on 07 December 2011.	WJ Cotter Electrical was appointed to repair the large pumps speed control unit enabling sewerage water to be utilised for irrigation on various sport grounds and Rooiheuvels Boerderye. As the repairs were an emergency an informal tender process could not be carried out.	R 44 696.59

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011****45. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)****45. 7 Non-Compliance with Chapter 11 of the Municipal Finance Management Act (continued)**

Incident	Reasons submitted for non-compliance	Amount (excluding VAT)
Appointment of GL Conradie to remove sewerage slime. Item 7.14 of the minutes of the Executive Mayoral Committee held on 14 March 2012.	Due to an emergency GL Conradie was appointed to remove the sewerage slime from a temporary storage facility as this could possibly cause the collapse of the wall and result in the sewerage slime being deposited in the Diep River.	R 65 500.00
Appointment of Peninsula Pipeline Services to install a pipeline under the railway line. Item 7.15 of the minutes of the Executive Mayoral Committee held on 14 March 2012.	Peninsula Pipeline Services was appointed to supply and install a pipeline under the railway line. The relevant pipe burst, resulting in no treated sewerage irrigation water being supplied to various sport grounds and Rooiheuwel Boerdery. This repair and installation was an emergency.	R 97 770.00
Appointment of Transtech to do emergency repairs to the refuse truck. Item 7.8 of the minutes of the Executive Mayoral Committee held on 15 February 2012.	An informal tender process could not be carried out as the duration of the process is 12 days. The repairs to the refuse removal truck were an emergency and therefore Transtech was appointed as they are the sole supplier of the service.	R 42 785.09
Appointment of Nashua Communications as the hardware supplier for the telephone System. Items 7.6 and 7.7 of the minutes of the Executive Mayoral Committee held on 11 October 2011.	The prescribed procurement process was not followed for the supply of hardware to Swartland Municipality or to purchase or lease such equipment for telephone systems from Nashua Communications due to the following practical and technical reasons: (i) The contract for the maintenance and operation of the telephone systems was awarded to Nashua Communications by means of a formal tender process for the period 1 August 2011 to 30 June 2014. (ii) It would be impractical for equipment to be supplied by other suppliers seeing it has to be connectable and compatible with existing equipment of which Nashua Communication is the local agent. (iv) To ensure hardware is obtained at reasonable and market related prices, comparable to similar equipment available, the IT Manager must evaluate each quote and confirm that the price is reasonable, market related and according to standard, before an order can be placed.	R 237 790.33
Appointment of S and F Christians Coach and Mini-Bus Tours t/a Salfred's for the transport of residents within the Swartland Municipality area to Phelophepa Health Train. Item 8.13 of the minutes of the Executive Mayoral Committee held on 18 July 2012.	Due to the following reasons Swartland deviated from the prescribed procurement process for the supply of transport to the residents within the Swartland Municipal area to attend the Phelophepa Health Train from 26 September 2011 to 29 September 2011: (i) The municipality was informed at a very late stage to supply transport for the residents. (ii) Only one service provider could deliver the service as the other companies transported school children. (iii) It would have been impractical and impossible to obtain the service by following the prescribed procedure due to the urgency of the service.	R 56 400.00
Appointment of The University of Stellenbosch School for Public Learnership for the Municipal Finance Management Programme for Group 4. Item 8.1 of the minutes of the Executive Mayoral Committee held on 18 July 2012.	The Municipal Finance Management Program training is currently being presented by the University of Stellenbosch to three groups in the West Coast. A need for a fourth group was identified. Due to the University of Stellenbosch being the only service provider that presents LGSETA accredited course in the Western Cape, the municipality deviated from the normal supply chain procedures and appoint the University of Stellenbosch for the training of Group 4.	R 306 972.74

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

2012	2011
R	R

45. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)**45. 8 Non-Compliance with Chapter 8 of the Municipal Finance Management Act**

In terms of section 64(2)(h) of the Municipal Finance Management Act (Act 56 of 2003) all revenue received by the municipality, including revenue received by any collection agent on its behalf, must be reconciled at least on weekly basis.

Revenue received in respect of traffic fines that is collected by an agent (Belstow), has only been reconciled monthly since March 2012 instead of weekly, due to the Bank Reconciliation Clerk being on maternity leave and the Clerk performing the function temporary was not appropriately informed of the requirements.

45. 9 Material Losses**Electricity distribution losses**

Units purchased (Kwh)	184,795,830	186,016,651
Units sold (Kwh)	172,041,597	171,855,026

Units lost during distribution (Kwh)	12,754,232	14,161,625
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Percentage lost during distribution	6.90	7.61
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Water distribution losses

Kiloliters purchased	5,512,364	5,514,755
Kiloliters sold	4,688,814	4,630,755

Kilolitres lost during distribution	823,550	884,000
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Percentage lost during distribution	14.94	16.03
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46. CAPITAL COMMITMENTS**Restated**

Commitments in respect of capital expenditure:

- Approved and contracted for

<i>Infrastructure</i>	37,503,776	70,824,599
<i>Other</i>	1,072,697	1,450,000

- Approved but not yet contracted for

<i>Infrastructure</i>	31,334,433	7,365,154
<i>Community</i>	-	-
<i>Heritage</i>	-	-
<i>Other</i>	15,481,060	16,708,904

Total	85,391,966	96,348,657
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This expenditure will be financed from:

- External Loans	22,947,970	44,879,349
- Capital Replacement Reserve	43,284,996	38,245,308
- Government Grants	17,670,000	13,224,000
- Lotto	1,339,000	-
- Donation	150,000	-

85,391,966	96,348,657
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The amounts for 2011 was restated after the Auditor- General identified that the amounts disclosed were as per the approved budget and not the actual tendered amounts. It was also noted that the amounts in respect of some tenders that have not yet been approved were included as part of the total approved and contracted amount.

The second half of this disclosure note relating to "amounts not yet contracted for" and financing sources is additional information and not a GRAP requirement.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

		2012 R	2011 R Restated
47. FINANCIAL INSTRUMENTS			
47.1 Classification			
Financial Assets			
In accordance with IAS 39.09 the Financial Assets of the municipality are classified as follows:			
Long-term Receivables			
Loans to Public Organisations	Financial assets at amortised cost	242,703	255,119
Finance Lease Receivables			
Housing Selling Scheme Loans	Financial assets at amortised cost	215,458	226,464
Trade and other receivables from exchange transactions			
Electricity	Financial assets at amortised cost	19,563,863	17,117,183
Water	Financial assets at amortised cost	5,188,736	4,298,771
Sewerage	Financial assets at amortised cost	3,688,376	2,854,349
Refuse Removal	Financial assets at amortised cost	2,783,828	2,174,191
Housing Rentals	Financial assets at amortised cost	89,112	76,276
Other Debtors	Financial assets at amortised cost	33,129,586	28,856,440
Trade and other receivables from non-exchange transactions			
Rates	Financial assets at amortised cost	7,409,363	6,878,017
Insurance claims	Financial assets at amortised cost	31,217	16,774
Government grants and subsidies	Financial assets at amortised cost	1,803,835	1,070,498
Sundry debtors	Financial assets at amortised cost	1,529,313	4,938,334
Current Portion of Long-term Receivables			
Loans to Public Organisations		12,416	11,166
Current Portion of Finance Lease Receivables			
Housing Selling Scheme Loans	Financial assets at amortised cost	11,005	12,350
Bank Balances and Cash			
Short-term Investments	Financial assets at amortised cost	-	71,841,096
Bank Balances	Financial assets at amortised cost	219,192,069	95,385,618
Cash Floats and Advances	Financial assets at fair value	18,730	17,130
Total Financial Assets		294,909,610	236,029,776
Financial liabilities			
In accordance with IAS 39.09 the Financial Liabilities of the municipality are classified as follows:			
Long-term Liabilities			
Annuity Loans	Financial liabilities at amortised cost	146,290,038	48,865,552
Consumer Deposits			
Electricity and Water	Financial liabilities at fair value	6,287,042	5,791,841
Creditors			
Trade creditors	Financial liabilities at amortised cost	29,735,075	26,459,986
Retentions	Financial liabilities at amortised cost	1,876,221	1,982,442
Staff leave	Financial liabilities at amortised cost	6,242,210	5,536,996
Other creditors	Financial liabilities at amortised cost	3,222,996	5,000,872
Current Portion of Long-term Liabilities			
Annuity Loans	Financial liabilities at amortised cost	6,512,480	4,232,658
Capitalised Lease Liability	Financial liabilities at amortised cost	313,210	350,719
Total Financial Liabilities		200,479,272	98,221,066

47.2 Fair Value of Financial Instruments

Financial instruments at fair value are measured using valuation techniques based on observable inputs, i.e. as prices, or indirectly, i.e. derived from prices. (Level 2 of fair value hierarchy).

47.3 Capital Risk Management

The municipality manages its capital to ensure that the municipality will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The municipality's overall strategy remains unchanged from 2007.

The capital structure of the municipality consists of debt, which includes the Long-term Liabilities disclosed in Note 20, Cash and Cash Equivalents and Equity, comprising Funds, Reserves and Accumulated Surplus as disclosed in Notes 6 and 24 and the Statement of Changes in Net Assets.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****47. FINANCIAL INSTRUMENTS (continued)****47.3 Capital Risk Management (continued)****Gearing Ratio**

The gearing ratio at the year-end was as follows:

Debt	153,508,284	53,749,977
Bank Overdraft	-	-
Net Debt	153,508,284	53,749,977
Equity	1,787,795,335	1,806,964,221
Net debt to equity ratio	8.59 %	2.97 %

Debt is defined as Long- and Short-term Liabilities as detailed in Note

Equity includes all Funds and Reserves of the municipality, disclosed as Net Assets in the Statement of Financial Performance.

47.4 Financial Risk Management Objectives

The Directorate: Financial services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity. Compliance with policies and procedures is reviewed by internal auditors on a continuous basis, and by external auditors annually. The entity does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports quarterly to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

47.5 Significant Accounting Policies

Details of the significant Accounting Policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of Financial Asset and Financial Liability are disclosed in the Accounting Policies to the Annual Financial Statements.

47.6 Market Risk

The municipality's activities expose it primarily to the financial risks of changes in interest rates (see Note 46.7 below). No formal policy exists to hedge volatilities in the interest rate market.

47.7 Interest Rate Risk Management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes. Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term debtors, consumer debtors, other debtors, and bank and cash balances.

The municipality is exposed to interest rate risk as the municipality borrows funds at both fixed and floating interest rates.

47.8 Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the Council. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Included in Note 41 is a listing of additional undrawn facilities that the municipality has at its disposal to further reduce liquidity risk (cash).

Liquidity and Interest Risk Tables

The following tables detail the municipality's remaining contractual maturity for its non-derivative **financial liabilities**. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the municipality can be required to pay. The table includes both interest and principal cash flows.

SWARTLAND MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**47. FINANCIAL INSTRUMENTS (continued)***47. 8 Liquidity Risk Management (continued)***Liquidity and Interest Risk Tables (continued)****30 June 2012**

Description	Average effective Interest Rate	6 Months or less	6 - 12 Months	1 - 2 Years	Total carried forward
	%	R	R	R	R
INTEREST-BEARING INSTRUMENTS					
FIXED RATE INSTRUMENTS					
Unsecured Bank Facilities		11,092,609	11,092,609	20,186,955	42,372,173
Development Bank	9.670	150,640	150,640	301,280	602,560
Development Bank	9.575	2,498,565	2,498,565	4,997,130	9,994,260
INCA	11.600	1,998,264	1,998,264	1,998,264	5,994,792
Development Bank	10.665	4,269,156	4,269,156	8,538,312	17,076,624
Sanlam	10.960	2,175,984	2,175,984	4,351,969	8,703,937
VARIABLE RATE INSTRUMENTS					
Unsecured Bank Facilities		44,108	42,701	82,373	169,182
Development Bank	8.375	44,108	42,701	82,373	169,182
Total Interest-bearing Instruments		11,136,717	11,135,310	20,269,328	42,541,355
NON-INTEREST-BEARING INSTRUMENTS					
Current liabilities					
Consumer deposits		6,287,042	-	-	6,287,042
Creditors		41,921,126	-	-	41,921,126
Capitalised Lease Liability		313,210	-	-	313,210
Total Non-Interest-bearing Instruments		48,521,378	-	-	48,521,378
TOTAL UNDISCOUNTED CASH FLOWS OF FINANCIAL LIABILITIES		59,658,095	11,135,310	20,269,328	91,062,733

30 June 2012 (continued)

Description	Average effective Interest Rate	Total brought Forward	2 - 5 Years	More than 5 Years	Total
	%	R	R	R	R
INTEREST-BEARING INSTRUMENTS					
FIXED RATE INSTRUMENTS					
Unsecured Bank Facilities		42,372,173	54,566,072	244,158,402	341,096,647
Development Bank	9.670	602,560	903,839	1,958,318	3,464,717
Development Bank	9.575	9,994,260	14,991,391	57,466,998	82,452,649
INCA	11.600	5,994,792	-	-	5,994,792
Development Bank	10.665	17,076,624	25,614,936	123,805,526	166,497,086
Sanlam	10.960	8,703,937	13,055,906	60,927,560	82,687,403
VARIABLE RATE INSTRUMENTS					
Unsecured Bank Facilities		169,182	220,631	180,788	570,601
Development Bank	8.375	169,182	220,631	180,788	570,601
Total Interest-bearing Instruments		42,541,355	54,786,703	244,339,190	341,667,248
NON-INTEREST-BEARING INSTRUMENTS					
Current liabilities					
Consumer deposits		6,287,042	-	-	6,287,042
Creditors		41,921,126	-	-	41,921,126
Capitalised Lease Liability		313,210	-	-	313,210
Total Non-Interest-bearing Instruments		48,521,378	-	-	48,521,378
TOTAL UNDISCOUNTED CASH FLOWS OF FINANCIAL LIABILITIES		91,062,733	54,786,703	244,339,190	390,188,626

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****47. FINANCIAL INSTRUMENTS (continued)****47. 8 Liquidity Risk Management (continued)****Liquidity and Interest Risk Tables (continued)****30 June 2011**

Description	Average effective Interest Rate	6 Months or less	6 - 12 Months	1 - 2 Years	Total carried forward
	%	R	R	R	R
INTEREST-BEARING INSTRUMENTS					
FIXED RATE INSTRUMENTS					
Unsecured Bank Facilities		4,648,206	4,648,176	9,296,412	18,592,794
Development Bank	12.000	-	-	-	-
Development Bank	15.500	-	-	-	-
Development Bank	9.670	150,684	150,684	301,368	602,736
Development Bank	9.575	2,499,258	2,499,258	4,998,516	9,997,032
INCA	11.600	1,998,264	1,998,234	3,996,528	7,993,026
VARIABLE RATE INSTRUMENTS					
Unsecured Bank Facilities		46,603	45,158	87,275	179,036
Development Bank	8.545	46,603	45,158	87,275	179,036
Total Interest-bearing Instruments		4,694,809	4,693,334	9,383,687	18,771,830
NON-INTEREST-BEARING INSTRUMENTS					
Current liabilities					
Consumer deposits		5,791,841	-	-	5,791,841
Creditors		38,740,301	-	-	38,740,301
Capitalised Lease Liability		350,719	-	-	350,719
Total Non-Interest-bearing Instruments		44,882,861	-	-	44,882,861
TOTAL UNDISCOUNTED CASH FLOWS OF FINANCIAL LIABILITIES		49,577,670	4,693,334	9,383,687	63,654,691

30 June 2011 (continued)

Description	Average effective Interest Rate	Total brought Forward	2 - 5 Years	More than 5 Years	Total
	%	R	R	R	R
INTEREST-BEARING INSTRUMENTS					
FIXED RATE INSTRUMENTS					
Unsecured Bank Facilities		18,592,794	17,897,916	64,741,709	101,232,419
Development Bank	12.000	-	-	-	-
Development Bank	15.500	-	-	-	-
Development Bank	9.670	602,736	904,105	2,260,262	3,767,103
Development Bank	9.575	9,997,032	14,995,547	62,481,447	87,474,026
INCA	11.600	7,993,026	1,998,264	-	9,991,290
VARIABLE RATE INSTRUMENTS					
Unsecured Bank Facilities		179,036	234,909	250,407	664,352
Development Bank	8.545	179,036	234,909	250,407	664,352
Total Interest-bearing Instruments		18,771,830	18,132,825	64,992,116	101,896,771
NON-INTEREST-BEARING INSTRUMENTS					
Current liabilities					
Consumer deposits		5,791,841	-	-	5,791,841
Creditors		38,740,301	-	-	38,740,301
Capitalised Lease Liability		350,719	-	-	350,719
Total Non-Interest-bearing Instruments		44,882,861	-	-	44,882,861
TOTAL UNDISCOUNTED CASH FLOWS OF FINANCIAL LIABILITIES		63,654,691	18,132,825	64,992,116	146,779,632

The municipality has access to financing facilities, the total unused amount which is R 1,000,000 at the reporting date. The municipality expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets. The municipality expects to maintain current debt to equity ratio. This will be achieved through increasing tariffs and the increased use of unsecured bank loan facilities.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012**

	2012	2011
	R	R

47. FINANCIAL INSTRUMENTS (continued)**47. 9 Credit Risk Management**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality.

Potential concentrations of credit risk consist mainly of fixed deposit investments, long-term debtors, consumer debtors, other debtors, short-term investment deposits and bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by the Council.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of an allowance for doubtful debt.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

The maximum credit risk exposure in respect of the relevant financial instruments is as follows:

	2012	2011
	R	R
		Restated
Fixed Deposit Investments	-	71,841,096
Long-term Receivables	255,119	266,285
Trade and other receivables from exchange transactions	36,496,569	31,483,755
Trade and other receivables from exchange transactions	13,234,340	15,044,724
Finance lease receivables	226,463	238,814
Bank Guarantees	170,900	170,900
Bank and Cash Balances	219,210,799	95,402,748
Maximum Credit and Interest Risk Exposure	269,594,190	214,448,322

The credit quality of financial assets that are neither past due nor impaired is assessed by reference to historical information about counterparty default rates:

		Restated
Trade and other receivables from exchange transactions		
Group 1	25,191,376	22,438,191
Group 2	230,037	324,907
Group 3	521,941	2,956,146
Total: Trade and other receivables from exchange transactions	25,943,354	25,719,244
Long- Term Receivables		
Group 1	255,119	266,285
Group 2	-	-
Group 3	-	-
Total: Long- Term Receivables	255,119	266,285

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****47. FINANCIAL INSTRUMENTS (continued)****47. 9 Credit Risk Management (continued)****Finance lease receivables**

Group 1	226,463	238,814
Group 2	-	-
Group 3	-	-

Total finance lease receivables

226,463	238,814
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Trade and other receivables from non- exchange transactions

Group 1	8,811,551	11,588,379
Group 2	64,132	132,453
Group 3	68,803	177,154

Total: Trade and other receivables from non- exchange transactions

8,944,486	11,897,986
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Bank balances

ABSA Bank limited	219,210,799	95,402,748
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Group 1 - High certainty of timely payment. Risk of non- payment is considered to be low as these receivables maintained a payment rate of more than 70 %.

Group 2 - Reasonable certainty of timely payment. The risk of non- payment is considered to be moderate as these receivables maintained a payment rate of 50 - 70 % during the year.

Group 3 - The risk factors of non- payment are larger as these receivables had a payment rate of below 50 % during the year.

48. MULTI-EMPLOYER RETIREMENT BENEFIT INFORMATION

The personnel of the Swartland Municipality are members of the funds as set out below. These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below. The Cape Joint Pension Fund is defined benefit plan, whereas the Cape Joint Retirement Fund, Municipal Councillors Fund, The Provident Fund and The National Fund for Municipal Workers are defined contribution plans. Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:

- The assets of each fund are held in one portfolio; these assets are not nationally allocated to each of the participating employers.
- One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer.
- The same rate of contributions applies to all participating employers.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

CAPE JOINT PENSION FUND

The Cape Joint Pension Fund operates both as a defined benefit and defined contribution scheme.

The defined benefit scheme is a multi-employer plan and the contribution rate payable is 9 %, by the members and 18 % by Council, except in the case of one official for which council contributes 23.06 %, which is less than the recommended rate of 32.40 %. The last valuation performed for the year ended 30 June 2011 (30 June 2010) revealed that the fund had an actuarial surplus of R 58,938 million (0,00 million) with a funding level of 98.10 % (100,0 %), a solvency reserve with a closing balance of R 0,00 million (R 4,869), and is in a sound financial state as at 30 June 2011.

The actuarial valuation report at 30 June 2011 indicated that the defined contribution scheme of the fund is in a sound financial position, with a funding level of 104,10 % (2010: 102,00 %).

CAPE RETIREMENT FUND

The contribution rate paid by the members (9,0 %) and Council (18,0 %) is sufficient to fund the benefits accruing from the fund in future. The last valuation performed for the year ended 30 June 2011 (30 June 2010) revealed that the fund had an actuarial surplus of R 72,849 million (R 127,50 million) with a funding level of 116,93 % (100,3 %). Certified in a sound financial position as at 30 June 2011.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****48. MULTI-EMPLOYER RETIREMENT BENEFIT INFORMATION (continued)****SOUTH AFRICAN MUNICIPAL WORKERS UNION NATIONAL PROVIDENT FUND**

The contribution rate payable is 7,5 % by the members 18 % by Council. Actuarial valuation on this fund is performed every three years, and the last valuation performed for the year ended 30 June 2005 certified that the fund is in a sound financial state.

NATIONAL FUND FOR MUNICIPAL WORKERS

The above mentioned fund is a defined contribution Fund and according to Regulation 2 of the Pension Funds Act no 24 of 1956 exempt from the provisions of sections 9A and 16 of the Act. The contribution rate paid by the members is 9.00 % and by the council is 18.00 %.

The latest voluntary valuation was done on 30 June 2010 (30 June 2009). As at 30 June 2010 the results state that the way the benefits are structured in the rules, the fund is limited to an amount equal to the accumulation of all the contributions plus investment returns less administration costs. The NFMW Retirement Fund does not have any reserve accounts or surpluses which could be allocated to members Fund records.

As at 30 June 2011 the current liabilities of the fund exceeded the current assets by R 879 203 (2010: R 2 879 300) rendering the fund illiquid. However the fund has sufficient investments listed under non- current assets which are liquid, and should the need arise for these liabilities to be settled immediately, the fund will be able to meet this obligation.

None of the above mentioned plans are state plans.

49. RELATED PARTY TRANSACTIONS

During the year the municipality rendered services to the following related parties that are related to the municipality as indicated:

49.1 Services rendered to related parties

	Rates	Service Charges	Other	Outstanding Balances
30 June 2012				
Councillors	38,226	212,553	2,525	18,549
Municipal Manager and Section 57 Personnel	41,306	134,271	(1,440)	13,514
Total	79,532	346,824	1,085	32,063
30 June 2011				
Councillors	36,170	180,793	2,657	17,039
Municipal Manager and Section 57 Personnel	38,987	119,505	-	12,188
Total	75,157	300,298	2,657	29,227

The rates, service and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses had been recognised in respect of amounts owed by related parties.

The amounts outstanding are unsecured and will be settled in cash. Consumer Deposits were received from Councillors, the Municipal Manager and Section 57 Personnel (managers directly accountable to the Municipal Manager). No expense has been recognised in the period for bad or doubtful debts in respect of the amounts owed by related parties.

49.2 Related Party Loans

Loans to Councillors and senior management employees are no longer permitted since 1 July 2004.

49.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 32.

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****49. RELATED PARTY TRANSACTIONS (continued)****49.4 Other related party transactions**

The Municipality entered into business transactions during the financial year under review with the service provider mentioned below. The said providers are considered to be related parties as they are in some way or other connected to the Municipality, either as councillor or family tie to employees of the Municipality. These transactions were duly concluded in compliance with the provisions of the Supply Chain Management Policy of the Municipality.

Service Provider	Value of Transaction	Name of Relation in the Employment of the Organ of State	Organ of State	Position of the person in the employment of the Organ of State	Relation to Service Provider
Bubbles Household Chemicals	116,991	C Maree	City of Cape Town	Clerk: Water Sanitation	Daughter
Ithuba Industries	243,288	W A de Morney	Western Cape Education Department	Teacher	Spouse
W.J De Bruyn Builders	261,028	A De Bruyn	City of Cape Town	Civil Engineer	Son
ARB Electrical Wholesalers (Pty) Ltd	45,058	J R D Modise	Eskom	Non- executive Director	Non- executive Director of ARB and Eskom
WJ Cotter Elektries BK	350,665	T van Essen	Swartland Municipality	Mayor	Father- in- law
Euraf Agencies cc	147,474	R Fourie	Department of Health: Western Cape	Assistant Director	Wife
Lumber and Lawn (PTY) LTD	151,625	J van Zyl	Western Cape Education Department	Teacher	Spouse
Riebeeck constructions	30,484	H Appolis	Swartland Municipality: Civil Engineering Department.	Foreman - Waterworks	Step Father
Blackbird trading 49 cc	104,743	M Smit	Swartland Municipality	Database Administrator	Spouse
Koos Smit T/A Blackbird Trading 49 cc	45,977	M Smit	Swartland Municipality	Database Administrator	Spouse
Roja Contractors And Traders	24,980	J Liedeman	Swartland Municipality: Civil Engineering Department.	Handyman - Painter	Son
Mubeko Africa	454,343	H Le Roux	Witzenburg Municipality	Former Deputy CEO	Former Deputy CEO of Witsenberg Municipality
Excellent Creative and Events	4,950	I Groepies	Swartland Municipality: Civil Engineering Department.	Labourer - Street & Stormwater	Son
Adenco Construction (PTY) LTD	111,484	H V Machimana	Dept. of Welfare: Limpopo	Health and Welfare Counsellor- Domestic Violence	Parent
		B Skosana	Department of Health: Gauteng	Healthcare Practitioner	Parent
		A Kasner	Western Cape Education Department	Teacher	Child

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****49. RELATED PARTY TRANSACTIONS (continued)****49. 4 Other related party transactions (continued)**

Service Provider	Value of Transaction	Name of Relation in the Employment of the Organ of State	Organ of State	Position of the person in the employment of the Organ of State	Relation to Service Provider
AURECON	5,839,545	H C Ahlschlager	Special Investigating Unit	Legal Representative	Spouse
		C M M Barnard	Gauteng Department of Education	Deputy Principal	Spouse
		C J Barry	City of Cape Town	Transport Department: Head Finance	Parent
		Prof C J G Bender	University of Johannesburg	Professor	Spouse
		J Blackmore	Department of Public Works	Project Manager	Parent
		T Botha	Oudtshoorn Municipality	Technical Manager	Parent
		J J J Daniels	West Coast District Municipality	Deputy Mayor	Parent
		B Alheit	Denel Dynamics	Manager: Business Development	Parent
		M Van Rensburg	Eskom	Executive at Transmission Department	Father- in- law
		Dr M Skead	Nelson Mandela Bay Metropolitan University	Senior Manager: Staff Development	Wife
		W Z Erasmus	Cape Nature	Program Manager	Spouse
		H G Esterhuysen	West Cost District Municipality	Senior Manager - Roads	Parent
		S Seegers	City of Cape Town	Head of Security: Architecture	Sister
		Dr Y Goga	Nkosi Albert Luthuli Hospital	Senior Specialist: Paediatric Haematology	Sister
		T. Govender	Umgeni Water	Fleet Maintenance Administrator: Asset Management	Daughter
		N Grobbelaar	Central University of Technology	Department Civil Engineer: Program Manager	Spouse
		S M Grobbelaar	Northern Cape Department of Cooperative Governance	Town and Regional Planner	Parent
		B Groenewald	Tswaing Municipality	Councillor	Parent
		C P Herbst	Dr Ruth S Mompali District Municipality	Councillor	Parent
		J H Higgs	SARS	Regional Manager	Spouse
		T Kholoanyane	Naledi Local Municipality	Tourism Manager	Spouse

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****49. RELATED PARTY TRANSACTIONS (continued)****49. 4 Other related party transactions (continued)**

Service Provider	Value of Transaction	Name of Relation in the Employment of the Organ of State	Organ of State	Position of the person in the employment of the Organ of State	Relation to Service Provider
		A Hougaard	Department of Correctional Services	Principle Network Controller	Spouse
		J Jacons	Eastern Cape Department of Education	Personal Assistant to Chief Director	Spouse
		N Jonker	Amathole District Municipality	Director: Engineering Services	Parent
		B Kleynhans	Hessequa Municipality	Accountant	Parent
		B J Kriegler	Cape Winelands District Municipality and Breede Valley Municipality	Councillor	Parent
		R G Madikizela	Auditor General South Africa	Assitant Manager	Brother
		R Tebane	Ekurhuleni Metropolitan Municipality	Executive Manager	Parent
		Z E Khosa	Ekurhuleni Metropolitan Municipality	Technician	Brother
		M Marques	Department of Home Affairs	Deputy Director	Spouse
		R Meyer	Telkom SA	Project Manager	Parent
		F Tlang	North West Department of Education	Quality Assurance	Sister
		A J Moore	Department of Water Affairs	Chief Engineer	Parent
		M C Dunga	South African Navy	Engineer in Training	Spouse
		R Nair	Ethakwini Municipality	Building Inspector	Parent
		J L Nel	Department of International Relations and Cooperation	Diplomat	Parent
		K Thamaga	South African Defence Force	State Accountant	Brother
		S M O'Connell	Sol Plaatje Municipality	Librarian	Spouse
		L Pillay	Kwazulu Natal Department of Transport	Deputy Director: Mechanical Maintenance Division	Parent
		P S Pretorius	Sol Plaatje Municipality	Chief Officer: Community Services	Parent
		J M Robertson	Ekuruleni Metropolitan Municipality	Roads Enigeer	Parent
		J J Saaiman	Armscor	Quality Manager	Parent

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****49. RELATED PARTY TRANSACTIONS (continued)****49.4 Other related party transactions (continued)**

Service Provider	Value of Transaction	Name of Relation in the Employment of the Organ of State	Organ of State	Position of the person in the employment of the Organ of State	Relation to Service Provider
		J Scheepers	Council for Medical Schemes	Chief Financial Analyst	Spouse
		E M Schon	Northern Cape Department of Cooperative Governance	Human Settlements and Traditional Affairs: Assistant Manager	Spouse
		A Heyns	Stellenbosch Municipality	Assistant Superintendent: Workshop Engineering Department	Parent
		J Theron	Nelson Mandela University Business School	Head: Graduate School Relations	Spouse
		G J Tong	North West Department of Finance	Deputy Director	Parent
		N Towers	Department of Mineral Resources	Inspectorate of Mines, Health and Safety: Western Cape Region	Parent
		J Tredoux	Department of Water Affairs	Deputy Director: Accounts Payable	Spouse
		A Treurnich	Umjindi Municipality; Community Services	Assistant Director	Parent
		J F Phillips	Northern Cape Department of Economic Development and Tourism	Manager: Township Revitalisation	Spouse
		Z C Venter	Eastern Cape Department of Health	Deputy Director: Employment Relations	Spouse
		P C Vermeulen	City of Cape Town	Superintendent: Building Maintenance	Parent
		J Wilkins	Correctional Services	Vice Director: Provincial	Parent
		N S Wolmarans	IDC	Senior Accounts Manager	Spouse
		S W Zulu	Kwazulu Natal Department of Health	Human Resource Manager	Parent
Emily's catering (Emadily's Bakeshop)	9,005	R Krieling	Swartland Municipality: Finance Department	Meter Reader	Son
Golden Rewards 1873CC T/A Futasia Caterers	17,105	R de Jager	Western Cape Education Department	Teacher	Husband
Hydrometrix Technologies CC	12,483	L de Beer	Western Cape Education Department	Occupational Therapist	Child

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****50. CONTINGENT LIABILITY**

	2012	2011
	R	R
Guarantees in favour of Eskom	70,900	70,900
Guarantees in favour of South African Post Office Limited	100,000	100,000
	170,900	170,900

Bank guarantees provided to Eskom for the supply of electricity to the Municipality for distribution amongst consumers. The guarantees is covered to a large extent by cash deposits recovered from the individual consumers of electricity within the municipal area.

A bank guarantee has been obtained from ABSA Bank and issued to the SA Post Office which serves as security in respect of the payment for the monthly delivery of the municipal accounts.

51. CONTINGENT ASSET

The Municipality was not engaged in any transaction or event during the year under review giving rise to a contingent asset.

52. IN-KIND DONATION AND ASSISTANCE

The Municipality did not receive any in-kind donation and assistance during the year under review.

53. COMPARISON WITH THE BUDGET

The comparison of the municipality's actual financial performance with that budgeted, is set out in Annexures "E (1) and E (2)".

54. PRIVATE PUBLIC PARTNERSHIPS

The Municipality has as yet not entered into a public-private partnership agreement with any private party.

55. EVENTS AFTER THE REPORTING DATE

No events having significant financial implications requiring disclosure occurred subsequent to 30 June 2012.

56. CORRECTION OF ERROR AND CHANGES IN ACCOUNTING POLICY**(a) i) Correction of error - Previous period transactions**

A number of errors in prior period transactions were discovered and corrected in the current financial period. These errors include incorrect property rate charges, faulty meter readings and levies in respect of service charges. These corrections have been applied retrospectively and the effects thereof are as follows:

	Total of correction 2011
Decrease / (increase) in Revenue	88,727
Property rates	32,943
Service charges	68,098
Interest earned - outstanding debtors	
Rates	8,601
Electricity	39
Sewerage	272
Other debtors	11
Rent of facilities and equipment	
Property	(16)
Other	270
Other income	
Blocked Sewerage	744
Sewerage Pumping	3,916
Special bulk wasting	(26,151)
Increase/(decrease) in General expenses	(12,480)
Other - Rent: Data lines	(12,480)
Decrease/(Increase) in surplus for the year ended 30 June 2011	76,247
Increase/(decrease) in Trade Receivables From Exchange Transactions	(47,183)
Service debtors	
Electricity	(58,073)
Water	(1,579)
Sewerage	(9,735)
Refuse removal	978
Other	21,226

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****56. CORRECTION OF ERROR AND CHANGES IN ACCOUNTING POLICY (continued)**

Increase/(decrease) in Trade Receivables From Non-Exchange Transactions	(41,544)
<i>Property rates</i>	(41,544)

(Increase)/decrease in creditors	12,480
<i>Trade creditors</i>	12,480

(a) ii) Correction of error - Workmen's Compensation Commissioner

Payments to the Workmen's Compensation Commissioner were not made during the 2009/10 and 2010/11 financial periods. As a result the expenditure and accrual regarding the creditors were not reflected in the 30 June 2011 financial statements - these expenditures and creditors were subsequently adjusted to reflect correct amounts in the comparative year. This correction has been applied retrospectively and the effects thereof are as follows:

	Total of correction 2011
Decrease/(increase) in Accumulated surplus 30 June 2010 (opening balance 2010/2011)	235,047
Decrease/(increase) in Creditors 30 June 2010 (opening balance 2010/2011)	(235,047)
Increase/(decrease) in Employee related costs	470,093
<i>Social contributions</i>	470,093
Decrease/(Increase) in surplus for the year ended 30 June 2011	470,093
(Increase)/decrease in creditors	(705,140)
<i>Trade creditors</i>	(705,140)

(a) iii) Correction of error - VAT review

During the 2011/2012 financial period, a VAT review was performed, the result of which determined that certain amounts during 2008/2009 were erroneously claimed from SARS. The amount repayable consisted of R53 675.62 VAT and R6 094.03 Interest and penalties. This error has been corrected retrospectively and the effect thereof is as follows:

	Total of correction 2011
Decrease/(increase) in Accumulated surplus 30 June 2010 (opening balance 2010/2011)	59,770
Increase/(decrease) in VAT Asset	(59,770)

(a) iv) Correction of error - Accrual to the UIF

Unemployment insurance contributions were previously erroneously deducted from councillors' salaries to be paid over to the UIF. Subsequently the Unemployment Insurance Contributions Act has been amended retrospectively, to determine that the Act is not applicable to Councillors' remuneration. Correction of this error has been applied retrospectively and the effects thereof are as follows:

	Total of correction 2011
Decrease/(increase) in Accumulated surplus 30 June 2010 (opening balance 2010/2011)	(164,297)
Decrease/(increase) in Creditors 30 June 2010 (opening balance 2010/2011)	164,297
Increase/(decrease) in Remuneration of Councillors	(29,529)
<i>Unemployment Insurance Contribution</i>	(29,529)
Decrease/(Increase) in surplus for the year ended 30 June 2011	(29,529)
(Increase)/decrease in creditors	193,826
<i>Trade creditors</i>	193,826

(a) v) Correction of error - Inventory not accounted for

During the current financial period, it was discovered that certain inventory items still on hand at 30 June 2011 were accounted for as expenses and not recognised as inventories at year-end. This error has been corrected retrospectively and the effect thereof is as follows:

	Total of correction 2011
Increase/(decrease) in General expenses	(2,400)
<i>Government grant expenditure</i>	(2,400)
Decrease/(Increase) in surplus for the year ended 30 June 2011	(2,400)
Increase/(decrease) in Inventories	2,400
<i>Consumable stores</i>	2,400

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****56. CORRECTION OF ERROR AND CHANGES IN ACCOUNTING POLICY (continued)****(a) vi) Correction of error - Equitable share**

In 2010/2011 a portion of the equitable share granted to indigent households remained unused and appeared as credits on consumer debtor accounts - these transactions and consumer accounts were adjusted retrospectively to correctly reflect amounts in the comparative year. The effects thereof are as follows:

	Total of correction 2011
Decrease / (increase) in Revenue	(1,911)
<i>Property rates</i>	(326)
<i>Service charges</i>	(1,585)
Decrease/(Increase) in surplus for the year ended 30 June 2011	(1,911)
Increase/(decrease) in Trade Receivables From Exchange Transactions	1,585
<i>Service debtors</i>	
<i>Electricity</i>	292
<i>Sewerage</i>	1,293
Increase/(decrease) in Trade Receivables From Non-Exchange Transactions	326
<i>Property rates</i>	326

(a) vii) Correction of error - Capital contribution

In 2009/2010 an amount received from a developer was erroneously accounted for as Other income: Capital contribution. The amount was subsequently paid back as the capital development did not commence. This error has been corrected retrospectively and the effects thereof are as follows:

	Total of correction 2011
Decrease/(increase) in Accumulated surplus 30 June 2010 (opening balance 2010/2011)	41,122
(Increase)/decrease in creditors 30 June 2010 (opening balance 2010/2011)	(41,122)
<i>Trade creditors</i>	(41,122)

(a) viii) Correction of error - Unidentified deposits

In 2010/11 certain long outstanding unidentified deposits were allocated to Other income, after which the debtor related to the amounts was identified. This error has been corrected retrospectively of which the effects are as follows:

	Total of correction 2011
Decrease / (increase) in Revenue	1,332
<i>Other income: Deposits forfeited</i>	1,332
Increase/(decrease) in Trade Receivables From Exchange Transactions	(1,332)
<i>Service debtors</i>	
<i>Electricity</i>	(1,332)

(a) ix) Correction of error - Provision for Capital project payment

In 2010/11 provision was made for payment of an outstanding amount on a capital project. The estimate made of the amount was incorrect and the error has been corrected retrospectively and the effects thereof are as follows:

	Total of correction 2011
Increase/(decrease) in PPE	(46,033)
<i>Infrastructure assets</i>	(46,033)
(Increase)/decrease in Current Provisions	46,033
<i>Electricity - Main Sub (ABB)</i>	46,033

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****56. CORRECTION OF ERROR AND CHANGES IN ACCOUNTING POLICY (continued)****(a) x) Correction of error - Inventory accounted for as PPE**

In 2010/11 certain inventory items were erroneously accounted for as PPE. The error has been corrected retrospectively and the effects thereof are as follows:

	Total of correction 2011
Increase/(decrease) in Depreciation and amortisation	(867)
Decrease/(Increase) in surplus for the year ended 30 June 2011	(867)
Increase/(decrease) in PPE	(790,022)
<i>PPE at Cost</i>	(790,889)
<i>Accumulated depreciation</i>	867
Increase/(decrease) in Inventory	790,889
<i>Consumable stores - at cost</i>	790,889

(a) xi) Correction of error - Retention monies

In 2010/11 certain inventory items were erroneously accounted for as PPE. The error has been corrected retrospectively and the effects thereof are as follows:

	Total of correction 2011
Increase/(decrease) in PPE	1,516
<i>PPE at Cost</i>	1,516
(Increase)/decrease in Creditors	(1,516)
<i>Retentions</i>	(1,516)

(a) xii) Correction of error - Leave pay accrual calculation

During 2011/2012 an error was identified in the calculation of the leave pay accrual and the effect thereof has been retrospectively adjusted as follows:

	Total of correction 2011
Increase/(decrease) in Employee related costs	514,974
Decrease/(Increase) in surplus for the year ended 30 June 2011	514,974
(Increase)/decrease in Creditors	(514,974)
<i>Staff leave</i>	(514,974)

(a) xiii) Correction of error - Bonuses

No current provision was previously raised for service bonuses due during the next financial year. The error has been corrected retrospectively and the effects thereof are as follows:

Decrease/(increase) in Accumulated surplus 30 June 2010 (opening balance 2010/2011)	2,270,216
Decrease/(increase) in Current provisions 30 June 2010 (opening balance 2010/2011)	(2,270,216)
Increase/(decrease) in Employee related costs	175,450
<i>Bonuses: 13th Cheque</i>	175,450
Decrease/(Increase) in surplus for the year ended 30 June 2011	175,450
(Increase)/decrease in Current Provisions	(175,450)
<i>Service bonuses</i>	(175,450)

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****56. CORRECTION OF ERROR AND CHANGES IN ACCOUNTING POLICY (continued)**

As a result of the aforementioned errors, the prior period revenue, surplus for the year and balances are restated as follows:

(i) Adjustment of revenue and surplus for the year

	Note	Previously reported	Amount of adjustment	Restated
REVENUE				
Revenue from Non-exchange Transactions		151,461,140	(32,617)	151,428,523
Taxation Revenue		56,668,596	(32,617)	56,635,979
<i>Property rates</i>	25	56,668,596	(32,617)	56,635,979
Transfer Revenue		78,655,097	-	78,655,097
<i>Conditional Government grants and subsidies</i>	29	50,776,446	-	50,776,446
<i>Unconditional Government and other grants</i>		24,634,940	-	24,634,940
<i>Donated Property, Plant and Equipment</i>		3,243,711	-	3,243,711
Sale of Land Inventories		6,071,687	-	6,071,687
<i>Revenue on sale of land</i>		6,297,500	-	6,297,500
<i>Cost of land sold</i>		225,813	-	225,813
Other Revenue		10,065,760	-	10,065,760
<i>Fines</i>		5,051,764	-	5,051,764
<i>Licences and permits</i>		2,713,417	-	2,713,417
<i>Income for agency services</i>		2,300,579	-	2,300,579
<i>VAT on Government grants and subsidies</i>		-	-	-
<i>Other</i>		-	-	-
Revenue from Exchange Transactions		207,214,283	(55,531)	207,158,752
<i>Service charges</i>	26	179,600,926	(66,513)	179,534,413
<i>Rental of facilities and equipment</i>	28	2,404,940	(254)	2,404,686
<i>Interest earned - external investments</i>	27	11,325,914	-	11,325,914
<i>Interest earned - outstanding debtors</i>	27	1,186,834	(8,923)	1,177,911
<i>Other revenue</i>	30	12,695,669	20,159	12,715,828
Total Revenue		358,675,423	(88,148)	358,587,275
EXPENDITURE				
<i>Employee related costs</i>	31	99,527,298	1,160,517	100,687,815
<i>Remuneration of Councillors</i>	32	5,314,107	(29,529)	5,284,578
<i>Impairment loss</i>	3/4	1,434,132	-	1,434,132
<i>Depreciation and Amortisation</i>	33	64,936,135	(867)	64,935,268
<i>Repairs and maintenance</i>		15,430,738	-	15,430,738
<i>Interest paid</i>	34	6,269,675	-	6,269,675
<i>Bulk purchases</i>	35	100,398,750	-	100,398,750
<i>Contracted services</i>		2,884,480	-	2,884,480
<i>Grants and subsidies paid</i>	36	1,084,029	-	1,084,029
<i>General expenses</i>	38	49,899,363	(14,880)	49,884,483
<i>Loss on disposal of property, plant and equipment</i>		825,805	-	825,805
Total Expenditure		348,004,512	1,115,241	349,119,753
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR		10,670,911	(1,203,389)	9,467,522
Other income:				
<i>Gains on disposal of property, plant and equipment</i>		215,109	-	215,109
SURPLUS/(DEFICIT) FOR THE YEAR		10,886,020	(1,203,389)	9,682,631

(ii) Adjustment of opening balances**NET ASSETS**

Accumulated Surplus 1 July 2010	1,797,378,294	(2,441,858)	1,794,936,436
<i>Workmen's Compensation Commissioner</i>		(235,047)	
<i>VAT review</i>		(59,770)	
<i>Accrual to the UIF</i>		164,297	
<i>Capital contribution</i>		(41,122)	
<i>Service bonuses</i>		(2,270,216)	

SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****56. CORRECTION OF ERROR AND CHANGES IN ACCOUNTING POLICY (continued)****ASSETS AND LIABILITIES**

Creditors 1 July 2010	42,726,998	111,872	42,838,870
Provisions 1 July 2010	1,777,085	2,270,216	42,838,870
VAT Asset 1 July 2010	437,150	(59,770)	377,380
Total effect of adjustments to opening balances 1 July 2010		-	
(iii) Adjustment against surplus for the year ended 30 June 2011	10,886,020	(1,203,389)	9,682,631
Total effect of adjustments against accumulated surplus as at 30 June 2011 (ii) and (iii)	1,809,124,009	(3,645,247)	1,805,478,762
(vi) Adjustment of balances - assets and liabilities - as at 30 June 2011			
Increase/(decrease) in PPE	1,692,283,563	(834,539)	1,691,449,024
Increase/(decrease) in Inventory	4,272,270	793,289	5,065,559
Increase/(decrease) in Trade Receivables From Exchange Transactions	28,903,370	(46,930)	28,780,164
<i>Service debtors</i>			
Electricity	17,176,296	(59,113)	17,117,183
Water	4,300,350	(1,579)	4,298,771
Sewerage	2,862,791	(8,442)	2,854,349
Refuse removal	2,173,213	978	2,174,191
<i>Other</i>	2,314,444	21,226	2,335,670
Increase/(decrease) in Trade Receivables From Non-Exchange Transactions	13,959,954	(41,218)	13,918,736
Property Rates	7,922,481	(41,218)	7,881,263
Increase/(decrease) in VAT	809,486	(59,770)	749,716
Increase/(decrease) in current provisions	1,936,848	2,399,633	4,336,481
Increase/(decrease) in creditors	38,740,301	1,056,446	39,796,747
Trade creditors		539,956	
Retentions		1,516	
Staff leave		514,974	

RECONCILIATION OF ADJUSTMENTS DUE TO PRIOR PERIOD ERRORS:**ASSETS****Current assets**

	215,263,774	645,371	215,909,145
Inventory	4,272,270	793,289	5,065,559
Trade Receivables from Exchange Transactions	28,903,370	(46,930)	28,856,440
Trade Receivables from Non-Exchange Transactions	13,959,954	(41,218)	13,918,736
Investments	71,841,096	-	71,841,096
Cash and Cash Equivalents	95,402,748	-	95,402,748
Operating Lease Assets	51,334	-	51,334
VAT	809,486	(59,770)	749,716
Current Portion of Finance Lease Receivables	12,350	-	12,350
Current Portion of Long-term Receivables	11,166	-	11,166

Non-current assets

	1,726,907,456	(834,539)	1,726,072,917
Property, plant and equipment	1,692,283,563	(834,539)	1,691,449,024
Intangible Assets	128,456	-	128,456
Investment property	34,013,854	-	34,013,854
Finance lease receivables	226,464	-	226,464
Long-term receivables	255,119	-	255,119

Total Assets	1,942,171,230	(189,168)	1,941,982,062
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SWARTLAND MUNICIPALITY**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2012****56. CORRECTION OF ERROR AND CHANGES IN ACCOUNTING POLICY (continued)****RECONCILIATION OF ADJUSTMENTS DUE TO PRIOR PERIOD ERRORS: (continued)****LIABILITIES****Current liabilities**

	54,305,375	3,456,079	57,761,454
Consumer deposits	5,791,841	-	5,791,841
Provisions	1,936,848	2,399,633	4,336,481
Creditors	38,740,301	1,056,446	39,796,747
Unspent conditional grants and receipts	3,182,004	-	3,182,004
VAT	-	-	-
Operating lease liability	71,004	-	71,004
Current portion of long-term liabilities	4,583,377	-	4,583,377

Non-current liabilities

	78,116,082	-	78,116,082
Long-term liabilities	49,166,600	-	49,166,600
Provision for post- retirement medical aid benefits	24,658,015	-	24,658,015
Other non-current provisions	4,291,467	-	4,291,467

Total Liabilities

132,421,457	3,456,079	135,877,536
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NET ASSETS**Total Net Assets**

	1,809,749,773	(3,645,247)	1,806,104,526
Housing Development Fund	625,764	-	625,764
Accumulated Surplus	1,809,124,009	(3,645,247)	1,805,478,762

Total Net Assets and Liabilities

1,942,171,230	(189,168)	1,941,982,062
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APPENDIX A**SWARTLAND MUNICIPALITY**
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2012

	Loan Number	Redeemable	Balance at 30/06/2011	Received during the period	Interest capitalised during the period	Redeemed written off during the period	Balance 30/06/2012
EXTERNAL LOANS							
LONG- TERM LOANS							
Development Bank		30/06/2020	472,491	-	-	52,499	419,992
Development Bank		29/12/2028	42,008,927	-	10,758	997,782	41,021,903
Development Bank		29/12/2023	2,157,642	-	546	94,855	2,063,333
Development Bank		31/12/2031	-	70,000,000	20,294	546,633	69,473,661
INCA		31/12/2013	8,459,150	-	-	3,099,549	5,359,601
Sanlam		30/06/2031	-	35,000,000	10,346	546,318	34,464,028
Total Long- Term Loans			53,098,210	105,000,000	41,944	5,337,636	152,802,518
LEASES							
Sunlyne Rentals			13,897	-	-	-	13,897
CTC Finance			156,910	-	-	-	156,910
Minoltafin			480,960	-	-	-	480,960
Sasfin				435,946	-	381,947	53,999
Total leases			651,767	435,946	-	381,947	705,766
TOTAL EXTERNAL LOANS			53,749,977	105,435,946	41,944	5,719,583	153,508,284

APPENDIX B**SWARTLAND MUNICIPALITY****ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2012**

	Cost/Revaluation					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Land and Buildings										
Land	51,928,865	44,338	-	108,729	51,864,474	1,354	503	1,354	503	51,863,971
Buildings	209,411,678	253,783	-	-	209,665,461	131,255,974	5,108,132	-	136,364,106	73,301,355
	261,340,543	298,121	-	108,729	261,529,935	131,257,328	5,108,635	1,354	136,364,609	125,165,326
Infrastructure										
Drains	-	-	-	-	-	-	-	-	-	-
Roads	1,030,857,285	13,741,151	2,447,833	4,599,230	1,042,447,039	436,017,899	23,696,462	1,828,606	457,885,755	584,561,284
Beach Improvements	-	66,664	-	-	66,664	-	-	-	-	66,664
Sewerage Mains and Purification	519,129,018	319,979	59,317,724	-	578,766,721	237,573,156	8,874,989	-	246,448,145	332,318,576
Electricity Mains	364,488,186	9,114,986	-	-	373,603,172	143,285,609	7,587,128	-	150,872,737	222,730,435
Electricity Peak Load Equipment	137,084,565	1,156,224	2,200	-	138,242,989	51,963,239	2,992,428	-	54,955,667	83,287,322
Water Mains and Purification	-	-	-	-	-	-	-	-	-	-
Reservoirs - Water	112,857,662	34,412	-	-	112,892,074	71,388,253	1,505,527	-	72,893,780	39,998,294
Water Meters	67,697	-	-	-	67,697	6,953	3,508	-	10,461	57,236
Water Mains	507,029,845	2,482,898	-	-	509,512,743	258,966,063	7,469,884	-	266,435,947	243,076,796
Landfill Sites	2,644,108	-	-	-	2,644,108	1,335,776	60,649	-	1,396,425	1,247,683
	2,674,158,366	26,916,314	61,767,757	4,599,230	2,758,243,207	1,200,536,948	52,190,575	1,828,606	1,250,898,917	1,507,344,290
Community Assets										
Parks and Gardens	2,410,695	1,288,269	-	-	3,698,964	1,558,924	48,777	-	1,607,701	2,091,263
Libraries	22,365,158	-	-	300	22,364,858	12,949,767	546,321	63	13,496,025	8,868,833
Recreation Grounds	26,069,246	666,544	49,904	-	26,785,694	15,105,510	608,028	-	15,713,538	11,072,156
Civic Buildings	85,736,639	-	-	-	85,736,639	57,757,914	1,820,201	-	59,578,115	26,158,524
	136,581,738	1,954,813	49,904	300	138,586,155	87,372,115	3,023,327	63	90,395,379	48,190,776
Heritage Assets										
Historical Buildings	586,266	-	-	-	586,266	462,001	16,000	-	478,001	108,265
Painting and Art Galleries	-	-	-	-	-	-	-	-	-	-
	586,266	-	-	-	586,266	462,001	16,000	-	478,001	108,265
Housing Rental Stock										
Housing Rental 1	764,263	-	-	-	764,263	93,486	12,738	-	106,224	658,039
Housing Rental 2	823,002	-	-	-	823,002	421,538	20,073	-	441,611	381,391
	1,587,265	-	-	-	1,587,265	515,024	32,811	-	547,835	1,039,430
Total carried forward	3,074,254,178	29,169,248	61,817,661	4,708,259	3,160,532,828	1,420,143,416	60,371,348	1,830,023	1,478,684,741	1,681,848,087

APPENDIX B**SWARTLAND MUNICIPALITY****ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2012(continued)**

	Cost/Revaluation					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Total brought forward	3,074,254,178	29,169,248	61,817,661	4,708,259	3,160,532,828	1,420,143,416	60,371,348	1,830,023	1,478,684,741	1,681,848,087
Leased Assets (Infrastructure)										
Sewerage Mains and Purify	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Other Assets										
Office Equipment	7,215,927	2,634,370	-	45,488	9,804,809	3,034,902	1,175,893	24,591	4,186,204	5,618,605
Furniture and Fittings	4,179,058	-	-	21,812	4,157,246	2,397,122	407,295	14,607	2,789,810	1,367,436
Bins and Containers	2,551,808	546,350	-	-	3,098,158	950,185	297,548	-	1,247,733	1,850,425
Emergency Equipment	648,752	192,019	-	-	840,771	113,461	45,828	-	159,289	681,482
Motor Vehicles	27,925,449	8,251,822	-	3,076,720	33,100,551	9,143,675	2,484,965	1,765,002	9,863,638	23,236,913
Fire Engines	1,394,580	-	-	-	1,394,580	241,675	106,192	-	347,867	1,046,713
Refuse Tankers	8,051,850	4,158,934	-	1,383,397	10,827,387	3,170,676	746,173	827,717	3,089,132	7,738,255
Computer Equipment	7,679,552	439,877	-	23,028	8,096,401	3,934,301	962,872	14,780	4,882,393	3,214,008
	59,646,976	16,223,372	-	4,550,445	71,319,903	22,985,997	6,226,766	2,646,697	26,566,066	44,753,837
Leased Assets										
Office Equipment	1,493,524	382,409	-	-	1,875,933	816,241	289,082	-	1,105,323	770,610
	1,493,524	382,409	-	-	1,875,933	816,241	289,082	-	1,105,323	770,610
										-
Total: Property, Plant and Equipment	3,135,394,678	45,775,029	61,817,661	9,258,704	3,233,728,664	1,443,945,654	66,887,196	4,476,720	1,506,356,130	1,727,372,534

ANALYSIS OF INVESTMENT PROPERTY AND INTANGIBLE ASSETS AS AT 30 JUNE 2012

	Cost/Revaluation					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Investment Properties	35,130,964	-	-	-	35,130,964	1,117,110	49,751	-	1,166,861	33,964,103
Intangible Assets	203,109	255,395	-	-	458,504	74,653	69,406	-	144,059	314,445
Total	35,334,073	255,395	-	-	35,589,468	1,191,763	119,157	-	1,310,920	34,278,548
Grand Total	3,170,728,751	46,030,424	61,817,661	9,258,704	3,269,318,132	1,445,137,417	67,006,353	4,476,720	1,507,667,050	1,761,651,082

APPENDIX C**SWARTLAND MUNICIPALITY**
SEGMENTAL ANALYSIS OF ASSETS AT 30 JUNE 2012

	Cost/Revaluation					Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance	
Cemeteries	5,145,419	-	-	-	5,145,419	3,415,780	159,411		3,575,191	1,570,228
Corporate Services	4,393,796	226,989	-	6,125	4,614,660	2,335,283	501,000	3,295	2,832,988	1,781,672
Development Services	772,580	697,649	-	-	1,470,229	341,317	115,721		457,038	1,013,191
Electricity	501,208,584	11,587,082	2,200	40,729	512,757,137	195,000,432	10,967,182	1,354	205,966,260	306,790,877
Financial Services	7,719,202	1,113,771	-	24,963	8,808,010	2,984,152	1,313,796	15,558	4,282,390	4,525,620
Fire Fighting	1,944,337	594,816	-	15,077	2,524,076	460,461	136,949	7,995	589,415	1,934,661
Housing	2,196,822	-	505,533	-	2,702,355	515,608	32,957		548,565	2,153,790
Libraries	646,396	136,427	-	-	782,823	259,312	78,248		337,560	445,263
Municipal Property	353,408,097	44,339	-	68,000	353,384,436	181,099,682	5,841,632	-	186,941,314	166,443,122
Parks and Recreational	6,793,503	1,382,446	-	123,490	8,052,459	2,828,387	405,044	79,255	3,154,176	4,898,283
Protection Services	3,417,248	1,122,398	-	256,619	4,283,027	1,280,221	401,899	118,499	1,563,621	2,719,406
Refuse Removal	34,847,745	4,748,849	-	1,457,551	38,139,043	12,551,858	1,944,075	865,758	13,630,175	24,508,868
Roads and Stormwater	1,045,262,090	17,193,283	1,942,300	6,276,231	1,058,121,442	439,616,318	25,025,745	2,822,397	461,819,666	596,301,776
Sewerage	527,509,900	2,174,188	59,317,724	608,340	588,393,472	243,839,725	9,271,671	314,583	252,796,813	335,596,659
Sportgrounds	50,295,142	1,673,094	49,904	-	52,018,140	26,146,488	1,408,224	-	27,554,712	24,463,428
Water	625,167,890	3,335,093	-	381,579	628,121,404	332,462,393	9,402,799	248,026	341,617,166	286,504,238
TOTAL	3,170,728,751	46,030,424	61,817,661	9,258,704	3,269,318,132	1,445,137,417	67,006,353	4,476,720	1,507,667,050	1,761,651,082

APPENDIX D**SWARTLAND MUNICIPALITY****SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2012**

2011	2011	2011		2012	2012	2012
Restated	Restated	Restated		Actual	Actual	Surplus/
Actual	Actual	Surplus/		Income	Expenditure	(Deficit)
Income	Expenditure	(Deficit)		Income	Expenditure	(Deficit)
R	R	R		R	R	R
164,709	15,695,054	(15,530,345)	Executive and Council	1,985,889	18,479,823	(16,493,934)
151,612,183	64,533,429	87,078,754	Finance and Administration	112,062,782	65,767,909	46,294,873
1,993,004	7,611,431	(5,618,427)	Planning and Development	1,538,008	8,890,793	(7,352,785)
1,364,053	8,357,882	(6,993,829)	Community and Social Services	4,654,397	9,582,759	(4,928,362)
252,186	1,113,365	(861,179)	Housing	250,433	1,123,630	(873,197)
5,071,503	17,325,249	(12,253,746)	Public Safety	3,284,885	18,760,323	(15,475,438)
2,063,052	11,565,521	(9,502,469)	Sport and Recreation	2,613,004	13,209,298	(10,596,294)
-	-	-	Environmental Protection	-	-	-
25,070,885	18,973,825	6,097,060	Waste Water Management	31,286,881	23,780,184	7,506,697
13,289,197	17,263,861	(3,974,664)	Waste Management	21,600,438	19,098,721	2,501,717
5,517,060	43,830,057	(38,312,997)	Road Transport	5,740,480	46,581,951	(40,841,471)
27,153,985	37,445,966	(10,291,981)	Water	33,761,285	39,085,677	(5,324,392)
125,234,142	109,083,188	16,150,954	Electricity	156,610,977	133,430,250	23,180,727
16,425	854,945	(838,520)	Other	17,411	936,487	(919,076)
358,802,384	353,653,773	5,148,611	Sub Total	375,406,870	398,727,805	(23,320,935)
-	(4,534,020)	4,534,020	Less: Inter- Departmental Charges	-	(4,867,562)	4,867,562
			Less: Inter- Departmental Recoveries	(8,632,338)	(8,632,338)	-
358,802,384	349,119,753	9,682,631	Total	366,774,532	385,227,905	(18,453,373)

APPENDIX E (1)SWARTLAND MUNICIPALITYACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2012

	2012 Actual R	2012 Budget R	2012 Variance R	2012 Variance %	Explanation of Significant Variances greater than 10 % versus Budget
REVENUE					
Revenue from Non-exchange Transactions					
Taxation Revenue	60,458,431	58,907,558	1,550,873	2.63	
Property rates	60,458,431	58,907,558	1,550,873	2.63	
Transfer Revenue	56,572,961	53,897,861	2,675,100	4.96	
Conditional Government grants and subsidies	33,484,186	34,696,396	(1,212,210)	(3.49)	
Unconditional Government and other grants	23,084,169	19,201,465	3,882,704	20.22	Due to the projects for the water pump station at Moorreesburg and the Abbotsdale housing not being included in the capital budget, resulted in the amount also not being included in the income budget. Therefore more income was received than budgeted.
Donated Property, Plant and Equipment	4,606	-	4,606	100.00	Income not budgeted for.
Sale of Land Inventories	402,142	7,308,400	(6,906,258)	(94.50)	The Public showed interest in land for the development of, i.e. group housing and therefore taken up in the budget as if the land would be sold. However, the sale of the land did not materialised.
Revenue on sale of land	410,000	7,308,400	(6,898,400)		
Cost of land sold	7,858	-	7,858		
Other Revenue	8,560,634	9,179,557	(618,923)	(6.74)	
Fines	3,284,706	4,036,415	(751,709)	(18.62)	Income realised lower than anticipated.
Licences and permits	2,863,580	2,729,398	134,182	4.92	
Income for agency services	2,412,348	2,413,744	(1,396)	(0.06)	
Other	-	-	-	-	
Revenue from Exchange Transactions	240,780,364	243,785,465	(3,005,101)	(1.23)	
Service charges	210,825,884	215,194,788	(4,368,904)	(2.03)	
Rental of facilities and equipment	2,913,351	2,262,337	651,014	28.78	Income realised more than income anticipated.
Interest earned - external investments	10,609,144	16,057,934	(5,448,790)	(33.93)	A loan of R105m was taken up to finance the construction of the sewerage works at Malmesbury. Funds are withdrawn from the loan as the project progressed and interest is earned on the funds not yet utilized. This interest earned was budgeted as income instead of being offset against the interest paid on the loan. Therefore interest income realised lower
Interest earned - outstanding debtors	1,295,263	1,222,268	72,995	5.97	Income realised more than income anticipated.
					Revenue increased more than anticipated due to the following:
					<ul style="list-style-type: none"> • increase in industrial sewerage • Sale of purified sewerage water increased • New water + electricity connections • Building Plans
Other revenue	15,136,722	9,048,138	6,088,584	67.29	
Total Revenue	366,774,532	373,078,841	(6,304,309)	(1.69)	

APPENDIX E (1)**SWARTLAND MUNICIPALITY****ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 2012**

	2012 Actual R	2012 Budget R	2012 Variance R	2012 Variance %	Explanation of Significant Variances greater than 10 % versus Budget
EXPENDITURE					
Employee related costs	110,426,517	110,558,707	(132,190)	(0.12)	
Remuneration of Councillors	6,619,179	6,554,390	64,789	0.99	
Impairment loss	1,473,331	1,706,148	(232,817)	(13.65)	Estimation of impairment loss lower than anticipated
Depreciation and Amortisation	67,006,353	78,957,578	(11,951,225)	(15.14)	The amount for depreciation in respect of the unbundling of assets was lower than anticipated.
Repairs and maintenance	15,437,681	17,018,369	(1,580,688)	(9.29)	
Interest paid	5,254,722	15,029,959	(9,775,237)	(65.04)	The interest earned on the construction works at Malmesbury was budgeted as income instead of being capitalized against the cost of the project.
Bulk purchases	122,558,351	127,276,982	(4,718,631)	(3.71)	
Contracted services	3,104,007	3,210,438	(106,431)	(3.32)	
Grants and subsidies paid	1,230,755	1,253,560	(22,805)	(1.82)	
General expenses	48,788,386	61,004,181	(12,215,795)	(20.02)	Expenditure realised lower than anticipated due to the following: <ul style="list-style-type: none"> • Lesser sewerage connections at Abbotsdale • Decrease in costs for Security Services • Telephone Cost decreased
Loss on disposal of property, plant and equipment	3,328,623	-	3,328,623	-	Expenditure not budgeted for.
Total Expenditure	385,227,905	422,570,312	(37,342,407)	(8.84)	
OPERATING SURPLUS/(DEFICIT) FOR THE YEAR	(18,453,373)	(49,491,471)	31,038,098		
<i>Other income:</i>					
Gains on disposal of property, plant and equipment	-	400,000	(400,000)		
SURPLUS/(DEFICIT) FOR THE YEAR					
	(18,453,373)	(49,091,471)	30,638,098		

APPENDIX E (2)**SWARTLAND MUNICIPALITY****ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2012**

	2012 Actual R	2012 Under Construction R	2012 Total Additions R	2012 Budget R	2012 Variance R	2012 Variance %	Explanation of Significant Variances greater than 10 % versus Budget
Executive and Council	470,754	-	470,754	296,670	174,084	58.68	Funds for the operating cost of the literary which included capital for small equipment were not budgeted for due to uncertainty that the funds will be made available.
Finance and Administration	731,362	-	731,362	784,800	(53,438)	(6.81)	
Planning and Development	2,536,937	-	2,536,937	-	2,536,937	100.00	The Chatsworth Housing project did not progress as planned and insufficient funds were carried forward to the next financial year.
Health	-	-	-	-	-	-	
Community and Social Services	697,649	-	697,649	1,171,000	(473,351)	(40.42)	A more suitable site was identified for the purpose of a multi-purpose facility which includes the Early Childhood Development Centre. This resulted in redesigning and re-planning of the total project.
Housing	505,533	-	505,533	-	505,533	100.00	The Housing project for Abbotsdale was approved towards the latter part of the financial year and therefore not budgeted for. However, the planning phase of the project commenced.
Public Safety	1,814,114	-	1,814,114	1,830,000	(15,886)	(0.87)	
Sport and Recreation	3,055,540	49,904	3,105,444	3,266,745	(161,301)	(4.94)	
Environmental Protection	-	-	-	-	-	-	
Waste Management	7,131,172	59,317,724	66,448,896	60,654,026	5,794,870	9.55	The overspending in this regard was mainly due to borrowing costs that were capitalised but not budgeted for.
Road Transport	14,887,587	2,447,833	17,335,420	17,460,257	(124,837)	(0.71)	
Water	2,612,694	-	2,612,694	2,094,200	518,494	24.76	The agreed amount that the WCDM would contribute towards the project regarding the water pump station at Moorreesburg was not included in the budget as uncertainty exists if the payment would be made directly by WCDM to the supplier or through Swartland Municipality.
Electricity	11,587,082	2,200	11,589,282	12,053,140	(463,858)	(3.85)	
Other	-	-	-	-	-	-	
	46,030,424	61,817,661	107,848,085	99,610,838	8,237,247	8.27	

APPENDIX F**SWARTLAND MUNICIPALITY****DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MFMA, 56 OF 2003****Grant and Subsidies Received**

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts				Quarterly expenditure				Grants and Subsidies delayed / withheld				Reason for delay/ withholding of funds	Did your municipality comply with the grant conditions in terms of the grant framework in the latest Division of Revenue Act
		June	September	December	March	June	September	December	March	June	September	December	March		Yes / No
Housing Chatsworth	Provincial Department of Housing	-	8,826,062	-	-	15,894,365	-	8,592,959	-	-	-	-	-	None	Yes
Cleanest Town	Provincial Department of Environmental Affairs and Development Planning	-	-	-	-	-	-	-	53,954	-	-	-	-	None	Yes
Community Development Workers	Provincial Department of Local Government	-	-	26,000	-	7,233	5,544	10,285	5,930	-	-	-	-	None	Yes
Pedestrian Pathways	Provincial Department of Transport and Public Works	-	-	-	-	-	28,298	13,849	171,356	-	-	-	-	None	Yes
Local Government Financial Management Grant	National Treasury	-	1,250,000	-	-	129,170	108,574	172,715	399,234	-	-	-	25,000	Grant not spent	Yes
Housing Consumer Education Grant	Provincial Department of Housing	-	-	-	-	5,927	5,388	4,500	5,649	-	-	-	-	None	Yes
Housing Abbotsdale	Provincial Department of Housing	-	-	-	505,533	-	-	-	-	-	-	-	-	None	Yes
Illinge Lethu Multipurpose Centre	Provincial Department of Social Services and Poverty Alleviation	-	-	-	-	12,863	-	-	-	-	-	-	-	None	Yes
Illinge Lethu Centre	Provincial Department of Social Services and Poverty Alleviation	-	-	-	-	7,268	40,235	92,583	4,312	-	-	-	-	None	Yes
Library	Provincial Department of Cultural Affairs and Sport	-	205,000	205,000	3,413,000	175,408	766,447	913,639	869,643	-	-	-	-	None	Yes
Water Pumpstation	West Coast District Municipality	-	-	-	-	-	348,459	268,135	-	-	-	-	-	None	Yes
Municipal Infrastructure Grant	National Department of Cooperative Governance and Traditional Affairs	-	11,974,000	-	-	7,158,727	10,330,930	-	-	-	-	-	-	None	Yes
Municipal Systems Improvement Grant	National Department of Cooperative Governance and Traditional Affairs	-	790,000	-	-	264,495	224,444	178,684	115,959	-	-	-	438,000	Grant not spent	Yes
Financial Management Support	Provincial Department of Local Government	-	-	-	300,000	-	-	-	79,049	-	-	-	-	None	Yes

APPENDIX F**SWARTLAND MUNICIPALITY****DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF THE MFMA, 56 OF 2003(continued)****Grant and Subsidies Received**

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts				Quarterly expenditure				Grants and Subsidies delayed / withheld				Reason for delay/ withholding of funds	Did your municipality comply with the grant conditions in terms of the grant framework in the latest Division of Revenue Act Yes / No
		June	September	December	March	June	September	December	March	June	September	December	March		
Broadcasting Booth Gene Louw	Provincial Department of Cultural Affairs and Sport	-	-	-	-	-	2,204	147,796	-	-	-	-	-	None	Yes
Sondeza	Provincial Department of Local Government	-	-	-	100,000	-	11,316	88,684	-	-	-	-	-	None	Yes
Damaged Houses	Provincial Department of Local Government	-	108,505	-	-	-	-	-	-	-	-	-	-	None	Yes
Thusong Centre	Provincial Department of Local Government	-	-	500,000	-	-	-	-	-	-	-	-	-	None	Yes
Proclaimed Roads Subsidy	Provincial Department of Transport and Public Works	-	-	-	172,000	-	-	172,000	-	-	-	-	-	None	Yes
ECD Facility	Provincial Department of Human Settlements	-	-	-	-	-	224,417	25,583	-	-	-	-	-	None	Yes
Water Pipeline Malmesbury / Chatsworth	Provincial Department of Housing	-	-	-	-	1,875,756	-	-	-	-	-	-	-	None	Yes
Housing project Darling	Provincial Department of Housing	-	-	-	-	590,850	-	-	-	-	-	-	-	None	Yes
Total		-	23,153,567	731,000	4,490,533	26,122,061	12,096,256	10,681,412	1,705,086	-	-	-	463,000		

*** Reasons for non- compliance**

No expenditure was incurred in this financial year. The funding will be utilised in the next financial year.